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Tuesday February 6 1979 No. 27,783

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for CONSTRUCTION

Gold Price

Bollar

1979

1978

\$13¹/₄

Gold up

by record

CONTINENTAL SELLING PRICES: AUSTRIA 8ch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS FI 2.0; NORWAY Kr 3.5; PORTUGAL Esc 25; SPAIN Pts 50; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRÉ 15p

UK ready for court battle on fishing fall 0.23

The UK Government is pre-pared to challenge the EEC Commission in the European Court of Justice rather than

abandon its fisheries conserva-tion measures imposed last year.

The Commission demanded that Britain lifts its ban on herring fishing into the Mourne area off the east coast of Ireland and around the Isle of Man. It also objected to an extension of the industrial fishing ban in part of the North Sea.

EEC Farm Ministers have. approved the broad outline of the Commission's proposals for this year's Farm Price Review. but agreement has still to be reached on green currencies and and MCAs. Page 39

Kruger refusal

Justice Minister Jimmy Kruger of South Africa refused to prosecute Gen. Hendrik van den Bergh, former head of the South African secret service, for contempt of a judicial commis-sion. Page 3

Bhutto verdict

Pakistan's Supreme Court will today pronounce on the appeal against the death sentence of deposed Prime Minister Zulfikar Ali Bhutto. Page 3

Race move

Black children entered white schools in Rhodesia as race barriers were removed. The Transitional Government said it would press ahead with its plans for a limited form of majority ruic, and one man, one vote elec-tions in April. Parliament Page

Director seized

Gunmen thought to be Basque separatists seized the French director of a Michelin factory They shot him in the knee before releasing him.

Uganda killings

Ugandan soldiers were reported to have shot dead several people in Kampala, after two sabotage attacks at the weekend.

Terror charges

Twenty-four men, four of them from Ulster, appeared in court in Paisiey, near Glasgow, accused of plotting to commit offences under the Prevention of Terrorism Act.

EEC talks start

Spain opened talks with the EEC aimed at achieving full membership of the Community

in about 14 years. Page 29 Proll ruling A London magistrate ruled that

.

46.5

terrorist Astrid Proll can be extradited to West Germany. Proll can now appeal to the Court of Appeal and the House of Lords.

Bander - Meinhoff

Postal slip

Post Office chairman Sir William Barlow said the standard of postal and telephone services has slipped a little."

Briefly . . .

The discovery of a woman's body under a bed in a guesthouse in Deal, Kent is being treated as murder. A 21-year-old East German soldier escaped across the Com-munist border to West Berlin.

Bianca Jagger filed for a divorce from Rolling Stones singer Mick Jagger in Los Angeles. Winner of the £100,000 prize in

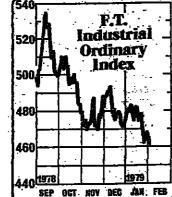
the Premium Bond draw is the Stockport owner of Bond number 16RB 339653. Bond number for the £25,000 prize is 19RZ 252226. The owner lives in Renfrew.

| 100 + S | 104 + 7

Rose Cons. Mines. 110 + 10 Rustenburg 154 + 10

Equities ease: Gilts

• EQUITIES eased under the influence of international and domestic events and the FT index, down 8.1 at 1 p.m., closed 6.6 down at 450.7, its lowest



closing level since July 7 Mining issues responded sharply to the rises in commedity prices and the Gold Mines index rose 9.5 to 181.4.

 GILTS saw fresh selling and the Government Securities index closed 0.23 down at 65.57.

STERLING rose 95 points to \$1.9895, but trade-weighted average fell to 63.3 (63.4). The dollar's depreciation widened to 8.1 per cent from 7.6.

● GOLD rose \$13} to \$244} in

• WALL STREET was 11.26 down at 823.37 just before the

• GOVERNOR of the Bank of England, Mr. Gordon Richardson, has acquitted the inter-national banking system and the Euromarkets themselves of posing a threat to world economic and financial stability.

Back Page • FIRST CHICAGO Bank of the U.S. has cut its brime rate by i per cent to 111 per cent, following similar cuts by Chase Manhattan and First Pennsyl-

• RETAIL spending in December was even higher than provisionally estimated, with final official figurés showing a 3 per cent increase between Novem-

ber and December. Page 6 • STEEL INDUSTRY'S customers have criticised the Government's strategic handling of the nationalised sector of the steel industry, particularly BSC's planned closures of

unwanted steel-making capacity.

Page 6 • METRO-CAMMELL of Birmingham has won a £50m order to supply an extra 150 rail cars to the Hong Kong Mass Transit Railway Corporation, in a contract bringing the total value of

● NATIONAL CARRIERS made a trading profit of £2.6m last year, which resulted in the company's first net profit since it was formed 10 years ago. Page 8

work placed with the company

to £125m. Back Page

BL CARS senior shop stewards have voted to call for a total strike by the company's 100,000 manual workers in support of their demand that parity payments should be paid.

COMPANIES

• VIBROPLANT HOLDINGS, plant hire specialist increased pre-tax profit in the half year to September 30 from £1,23m to £1.6m on turnover up from £4.38m to £5.37m. Page 30

• BRENTNALL BEARD (Holdings) has announced a series of deals during its last financial year and after, which have reorganised the group's Canadian operations, following Canadian losses. Page 30

Lucas Inds. 270 - 7

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

(Prices in pence unless otherwise Sabina Sauthvaal 543 + 44
Vaai Reefs £17 + 1
Vogels 95 + 12
West Drie. £242 + 1 (indicated) Banks (Sidney C.)... 97 + 5 Evans of Leeds 99 + 4 Lowe (Robert H.) ... 80 + 8 Treas. 141pt 1994 ... £100i - 1
Alpine Hidgs ... 95 - 5
Bell (A.) ... 174 - 8
Blue Circle ... 250 - 6
Brit Car Auction ... 64i - 4
Downty ... 289 - 6 Mining Supplies ... 131 + 5 Mountview Ests. ... 110 + 4 Stormguard 12 + 5 | Stormguard | 12 + 5 |
Warner Ests.	168 + 8
Wilkinson Warbrin.	93 + 4
LASMO	152 + 8
Oil Exploration	224 + 6
Anglo-Amer. Coal	755 + 55
Braeken	102 + 8
Kinross	366 + 31
Libanon	578 + 34
Lydenburg	100 + 8

16% offer rejected by water workers

FINANCIAL TIMES REPORTERS

The water industry's 33,000 manual workers last night turned down an increased pay offer of 16

The National Union of Public Employees had made it clear before yesterday's talks began that if the earlier 13.9 per cent offer was not significantly improved its 10,000 members in the industry would be called on to take official action. Unofficial action has already taken place in parts of England taken place in parts of England, particularly the North West and Yorkshire.

There was disarray yesterday mong Ministers and local authority associations over how far the Government would be prepared to support a pay offer by councils that exceeds 8.8 per

Colleagues of Mr. Callaghan were insisting that the Prime Minister had not given the goahead for a much more flexible attitude to be adopted by the local authorities when he referred, on Saturday, to a settlement in single figures.

Denials

Mr. David Ennals, Social Services Secretary, certainly interpreted the remarks in a Newcastle speech as meaning that Government support would be forthcoming for a settlement ability study for Health Service that remained in single figures. ancillary workers, ambulancethat he aimed to secure a singlefigure settlement for health service workers.

There were strenuous denials of any shift in the Government's position. It was stressed that local authorities would have to approach the Government for permission before negotiating any offer above 8.8 per cent.

Treasury officials said the Prime Minister's speech did not necessarily imply that the Government would be prepared to underpin a settlement above 8.8 per cent.

The belief among MPs, however, is that the Government would be prepared to support a settlement up to 10 per cent. Local authorities are annoyed that if the Prime Minister still intends not to sanction a deal above 8.8 per cent, his Newcastle speech weakened their aiready

Negotiations were still going on last night, and union officials met officials of the local authorities' advisory secretariat to disfurther improvement in the cuss the position before tomorrow's negotiating meeting pacesetter for public sector pay with the unions. There was also with the unions. There was also and the provided that the provided has been desired to the provided has been desired to the provided has been desired at the provided has been desired informal joint meeting between the main negotiators on the employers and the union

Civil service talks today

Civil service unions will meet Lord Peart, the Lord Privy Seal, this morning in an attempt to stave off a one-day strike in two weeks time. Page 8. TUC leaders spent four hours with Mr. James Callachan and other Ministers discussing a new social contract. An agreement is expected to be reached by tomorrow week. A MORI opinion poll in today's Daily Express gives the Congratives a 19 per cent lead over Labour. Back Page

In the health dispute, pay negotiations for hospital ancillary staff are scheduled today and for ambulancemen either tomorrow or Thursday. Mr. Ennals promised in the Commons arrangements would be made to introduce a comparwould be given to this next year. It would not be retrospec-

Mr. Ennals appealed for a return to normal working as industrial action in the health service - and among local authorities-was stepped ng.

The Department of Health, however, said the union's code of conduct for health service strikers appeared to be having some impact. Difficulties at some trouble spots had eased.

Last night's water industry talks were concentrated on two main areas: an easing of the conditions attached to a £5 efficiency bonus and consolidation of the £6 supplement from Phase One of the present series of pay polices.

The employers made it clear that they were prepared to consolidate fully the £6 supplement which they estimated would add

Continuing unrest in Iran brings reaction

Oil companies fear Saudi output cut

BY KEVIN DONE, ENERGY CORRESPONDENT

COMPETITION FOR shrinking world oil supplies has been intensified by reports that Saudia Arabia has imposed a new monthly production ceiling which would reduce available supplies by up to Im barrels a day.

The four U.S. oil companies

Exxon. Socal. Texaco and
Mobil—which lift nearly all Sandi oil production, have refused to confirm the reports of new production limits, but they are believed to have started to warn subsidiary companies and other crude oil customers to expect some cutback in supplies and further

price increases.
With nearly 5m barrels of crude oil a day lost to world markets, by the halting of oil exports from Iran, Saudi Arabia has held the key to consuming nations finding at least some replacement sup-

Tranian Army and supporters of an Islamic republic loomed closer last night as the

Ayatollah Khomeini announced

the appointment of a "premier" to head his "provisional government."

The religious leader named Dr. Mehdi Bazargan, who was

seated next to him at a Press

conference, as the man chose by his "revolutionary council," a body which he claims to exist

but whose members are unknown. His action is seen

as a direct challenge to the

before taking account of current

But the output prices, charged

by industry at the factory gate,

have still been rising at a moder-ate rate. This suggests that the

12 month rate of retail price in-

flation - 8.4 per cent in mid-

December-should edge up only

gradually during the first half

The Industry Department said

yesterday that the price index for materials and fuel bought by

manufacturing industry increased by 1.6 per cent in January to 150.6 (1975=190).

The most important single

pay increases.

Higher fuel prices

In recent months it has increased production by about 3m barrels a day, partly to meet the usual increase in demand during the winter but partly to offset the loss of Iranian production.

Fears are growing, however, that Saudi Arabia has decided to hold down its production to 9.5m barrels a day compared with output in the first half of January that was ranging between 10.2m and 10.5m barrels a day. Saudi Arabia operated a

production limit last year which set an average level of 8.5m harrels a day. This was interpreted as an annual average, however, which allowed production to rise from low levels in the first half of 1978 to more than 10m barrels a day in Decem-

According to oil industry

CONFRONTATION between the appointed Prime Minister by army and the Ayntollah

the Shah. The Ayatollah called for

demonstrations in villages and

cities throughout the country in

and blasphemous, he asserted.

Dr. Barzagan, who is 73, is

an engineer and was head of

He has also been closely

associated with the National

Front, the main opposition

The result has been that the

raw materials cost index has

gone up by 3.4 per cent in the

past three months compared

with a fractional decline in the

previous three. Over the last

Continued on Back Page

Editorial comment. Page 16

Retail sales, Page 6

support of his regime. Failure possible. His to obey would be against Islam government " wou

names his 'premier'

early 1950s.

arms and a government of grouping. Recently he has acted Dr. Shapena Bakhtist, who was as an intermediary between the

put pressure on industry

HIGHER fuel and raw material prices of other commodities,

prices have built up the cost notably metals, have also pressures on industry even started to rise.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BY ANDREW WHITLEY AND ALAIN CASS IN TEHRAN

executives in the U.S., Sandi has established production limits Arabia of 9.5m barrels a day, which will apply for the first three months of the year.

The extra 1m barrels a day above last year's production ceiling is likely to be charged at higher prices to take account of the fact that the Organisation of Petroleum Exporting Countries oil prices are due to rise every three months this year.

This extra output would be treated as if it were produced in the final quarter of the year, by which time oil prices will have risen by 14.5 per cent above the 1978 level.

The squeeze on crude oil supplies has been further tightened by Libya's decision to cut production by about 50,000 harrels a day because of technical problems.

Khomeini's camp in an attempt

Dr. Barzagan has been ased

" provisional

economic

to appoint a cabinet as soon as

government " would then hold

national elections for a con-

stituent assembly to ratify a

more determined than ever.

policy. It is considering plans to nationalise the crippled bank-

ing sector, to take full control

of the country's oilfields, and to

Bakhtiar's administration have

disclosed meanwhile that the

cancellation of defence con-

tracts with the U.S., Britain, West Germany and Italy involve

orders worth no less than \$15bn

Pirasteh, Minister of Economic

Affairs and Finance, said yes-

terday that Iran's domestic con-

sumption will he slashed when

Other developments,

Pages 3 and 4

tion will be paid.

At the same time, Dr. Rostam

reassessing

with foreign companies.

Senior officials in

at a peaceful compromise.

GOLD PRICES soared in London yesterday, closing with

a record one-day rise of \$101. Fears about continuing unrest in Iran and the supply of oil from the Middle East, along Clashes loom as Ayatollah with speculative switching be-tween metals by investors con-

BY COLIN MILLHAM

tributed to the surge. The metal closed at \$2.44)its highest since the all-time closing high of \$245! last October 30.

Gold opened very firm at \$2352, following strong demand in New York on Friday, soon cased to \$2362 on profit taking, then rose steadily in very active

Silver also rose sharply, gaining 20p to close at 357p (710c). With the U.S. likely to lose 88bn in Iranian defence orders, dollar fell back to pany under the nationalist ation, Dr. Bakhtia's administeader, Dr. Mossadegh, in the tration is likely to proceed to it.

Page of the page DM 1.8650 against the D-mark. compared with DM 1.8850 on Friday, and the SwFr 1,6900 in terms of the Swiss franc, against SwFr 1,7080.

> The dollar's trade-reighted index on Bank of England figures, [ell to 84.5 from 85.6 Although Religin stance to

review joint venture agreements lose 8? ihn from the Irraigo arms outback, sterling was fairly steady. Its index, as calculated by the Bank of Epoland, eased to 63.3 from 63.4, but the pound rose

95 points to close at \$1.9895 against the dollar. Money markets, Page 25

Metal prices. Pages 16 and 39

I in New York political stability is restored. But he was anxious to assure companies whose contracts have been cancelled that compensa-

\$1,979.940 \$1,9825-\$840 0,75-0,50 dis 0,48-0,44 dis

influence was the higher price of crude oil introduced by the difficult bargaining further 2 per cent to the producing nations at the begin-Leaders of the three main ning of the month. But the

Dunlop State aid hits snags BY JOHN ELLIOTT, INDUSTRIAL EDITOR

£23m State aid to help develop its troubled tyre business has run into problems in Whitehall after failing to win initial back-ing from the Government's independent Industrial Develop-

ment Advisory Board..
Possible terms for the aid, which Dunlop is believed to want to use for a five-year development programme costing some £100m, are now being renegotiated by the Industry

Department. The company has rejected ideas, floated by the Govern-ment, that the National Enterprise Board should take a stake in its business, and the Govern-

the case of Mr. Bhutto

A REQUEST by Dunlop for ment is now looking for other ways of involving itself in the future of the company. One idea being canvassed is business in Birmingham. that the Government might Ministers envisage a political recoup some of the £23m Dunlop wants in the form of interest

> making adequate profits after five or six years. Ministers see the claim for aid, which is one of the largest made under the Industry Department's £150m selective investment scheme, as a politically sensitive issue. This is because Dunlop is declaring than 3,000 workers more

The object of Dunlop's development programme is to build up its tyre manufacturing storm should they grant £23m to a company which is pulling relief grants, if the company is out of a depressed development area so as to build up its operations in a more prosperous part

of the country.

Dunlop applied for the aid before Christmas and subsequently is believed to have had talks with the NEB which were broken off at an early stage because the company was not interested in a deal with the

State-owned organisation. Continued on Back Page

redundant and is closing its

Speke plant on Merseyside.

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Discontent growing as Paris union talks open

By David White in Paris

TWO KEY labour meetings take place in Paris today and to-morrow against a background of escalating conflicts in several regions of France.

The Government begins talks today with five steel unions on the hotly contested plan to cut some 21,000 jobs in northern and eastern France this year and next. Tomorrow, leaders of the two most powerful trade union confederations, the Communistled CGT and the Left-wing CFDT, meet to try to patch up differences which have weakened the impact of industrial action.

The talks between M. Robert Boulin, Labour Minister, and the steel unions offer little hope of a compromise that will calm feelings in the steelmaking regions.

The unions are seeking firmer guarantees of new jobs and a reduction in the number of redundancies, by introducing a fifth daily shift and a 35-hour working week. But the Government has been adamant about adhering to its job-shedding plan and is most unlikely to give in on a 35-hour week, The unions will also ask for better treatment of redundant workers, including facilities for retraining. It is thought that the Government might be prepared to lower the threshold for early

M. Edmond Maire, secretary-general of the CFDT, warned at the weekend that in Lorroine and the Nord-Pas de Calais region "it is beginning to be a question of mass anger." Protests continued over the weekend when steelworkers from Usinor, the biggest French

producer, blocked the Paris-Brussels motorway. Tomorrow's meeting between M. Maire and his counterpart at the CCT. M. Georges Seguy, is overshadowed by continuing political differences. These were underlined on Sunday when M. Maire strongly criticised the "xenophobic" attitudes of the Communist party and CGT, which have laid much of the blame for current employment

problems at West Germany's

But the two leaders, who meeting in December, may well be able to establish joint fronts at a local level. Apart from their discussions are likely to focus on combatting redundancies in Renault's lorry plants and in the shipyards. The two unions are already joining forces in an increasing number of strike movements.

OECD move on aid scheme for Turkev

West German Government to prepare for a joint aid scheme for Turkey by member countries of the OECD has been accepted by Mr. Emile van Lennep, the secretary-general,

The proposal has the support of the U.S., Britain and France, and Mr. van Lennep hopes to persuade other OECD members Justice last November, which meeting and appeared reluctant treaty is portrayed as an unto join the scheme, writes unequivocally reaffirms that it to engage France in a head-on necessary relic of an earlier age to join the scheme, writes Robert Mauthner in Paris.

LEAKED FIGURES AN EMBARRASSMENT FOR ERTL

German farm incomes 'up 10.3%'

BY JONATHAN CARR IN BONN

west German farmers in- (EMS) depends on finding a comes seem at first sight to have suitable solution to the probeen made available at an lem of monetary commended to the probembarrassing moment for the probembarrassing moment for the probembarrassing moment for the probability of the probability embarrassing moment for Herr Minister.

Even as he went into negotiations in Brussels yesterday determined to resist any efforts to undercut the position of his farmers, the figures appeared in the West German Press. They show incomes grew by a healthylooking 10.3 per cent in the 1977-78 year to an average DM 24,084 (£6,480) for each family member working on the farm,

It is unclear exactly who leaked these details. They will be included in the Government's agricultural report for 1977-78 but this has neither been published nor discussed by the Cabinet or Parliament.

It is not immediately clear what the motives for the indiscretion might be. But it is known that not everyoneeither in the Government or in the senior coalition party, the Social Democrats (SPD)—is wholly sympathetic to the tough Not least, the start of the the economy.

Josef Ertl, the Agriculture Community farm trade. Bonn's partners, and France in parti-cular, feel West German farmers have benefited disproportionately from MCAs. Proof that West German farmers have just enjoyed a marked rise in income could thus be used as pressure on Herr Ertl to be more

The figures could boomerang, however, against those who might try to use them in this way. For one thing, farm officials point out that the rise of 10.3 per cent is over the very poor drought year of 1978-77, when farmers' incomes actually dropped by nearly 14 per cent. Furthermore, available evidence suggests that incomes for the current 1978-79 year will rise

by a maximum 3 per cent.

Because of these sharp annual swings, it is said that a fair full of pitfalls-including injudgment can be made only sufficient data, wide income from the trend over a longer variations according to the size period. West German statistics of the farm and so on. But Herr show that, over the past decade. Ertl maintains it is his duty to farmers' incomes have risen by see that farmers continue to negotiating line which Herr an average of about 8 per cent share proportionately with other Ertl, a Free Democrat (FDP), anually, slightly less than the sectors the rise in national at home. They are likely to is likely to adopt in Brussels. rise in non-farming sectors of wealth. He is believed to be increase pressure on Herr Ertl



Herr Josef Ertl

It is true that such statistical comparisons are notoriously made to force him to take a decision which he feels cuts across that principle.

He is also understood to think that a resignation on the issue at this point would have particularly sharp consequences in West Germany in the campaign run-up to the European direct clections in June.

Herr Ertl feels that the MCA's, which West Germany has accumulated have merely compensated his farmers for the rise in the value of the Deutsche Mork. He is ready to cut these MCAs, but only in the context of Community decisions on farm price increases which will help ensure his farmers' incomes do not fall.

There is a further domestic complication. Herr Hans Matthoefer, the Finance Minister and a member of the SPD, is preparing legislation which could mean that West German farmers will have to bear a likely that a Bill to this effect will emerge shortly—while the Brussels negotiations are still in progress. German farmers will then see their incomes threatened both in Brussels and

Lambsdorff delays decision on Veba-BP

BY ADRIAN DICKS IN BONN

West German Economics Minister, is not now expected to be in a position to give his decision the complex DM 800m (£215m) deal between Veba and Deutsche BP before the middle of next month.

Although the Minister bad hoped of publish this week the result of his deliberations on a request by the two companies to let the deal go through, he has stayed his hand pending last-minute intervention by the

COUNT Otto Lambsdorff, the Brussels and the Federal Cartel series of private discussions Office in West Berlin.

> These two bodies have reentered the BP-Veba case after it had been assumed by most observers that each had already

The Cartel Office's report objecting to the planned ex-change of interests by the two many's biggest hard coal procompanies was published last October, and caused Veba and BP immediately to apply to natural gas to West Germany. the Count Lambsdorff for a mini- and proposing co-operation in in sterial dispensation. In a fresh coal gasification research.

yesterday, however, the Cartel Office was believed to be requesting information on an aspect of the deal in which it had previously shown no interest

This is the letter of intent signed jointly between Deutsche ducer, setting out the terms of Deutsche BP's plans to sell

The Brussels Commission last week surprised some officials in Bonn by announcing that it planned a series of hearings. The Competition Department of the Commission announced that it wanted to study the effect on the West German gas market if a majority of Ruhrgas were to pass into the hands of international oil companies.

If the deal goes through, BP would acquire 25 per cent of Ruhrgas, which is already co-operating with Ruhrkohle in the coal gasification field.

Brussels row likely over nuclear safeguards

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT, IN BRUSSELS

FRANCE APPEARS set on 2 collision course with the Euro- ceded that the Commission pean Commission over the should attend the talks, aimed politically sensitive question of at concluding a convention on individual member governments ling of nuclear materials. But should be responsible for it appears bent on undermining negotiating international agreements on nuclear safeguards.

French chairmanship, are asked by the Commission for a nego-INVITATION from the conference on physical protecthat in the absence of one, none Vienna yesterday.

The Commission insists that the Euratom treaty empowers it alone to represent the Community in the talks. Its argument is powerfully supported by a landmark decision handed down by the European Court of

France has reluctantly con- damage relations with Paris. whether the Community or its safety standards for the hand-The issue may come to a head have already been agreed in principle by the eight other member States.

the court decision also requires causing it to baulk at a Commistiating mandate to enable it to the Council of Ministers to sion request for authorisation to take part in the international equip it with a mandate, and negotiate a safeguards agreetion standards which opened in of the individual governments may legally participate in the conference

what the Commission will do if France continues to block its request. Officials here were still hoping that a compromise the weekly news magazine could be reached at today's L'Express in which the Euratom has sole authority in this area. confrontation which could badly which should be revised to bring correctly fed in

France's insistence on being allowed a free hand to pursue

its own nuclear policies—in both the civil and the military fields-has been a source of friction with the ESC's institutions almost since the day the Euratom treaty was signed more than 20 years ago. Resistance to what it regards

nember States.

as interference by the Commission claims that munity in this field is also ment with Australia. The protracted deadlock on this question is holding up the conclusion of nuclear supply arrangements It is still unclear, however, between Britain and Australia. French official thinking is contained in the current issue of

it into lice with today's political realities.

In particular, the article suggests that it is high time that the section of the treaty dealing with nuclear supply arrangements, whose provisions have long been criticised by France, was redrafted to permit EEC governments greater independence of action

• The world's first fatal accident at a nuclear power plant involving release of radioactivity may have occurred at a Czech power station three years ago, according to the New York newsletter Nucleonics Week, writes David Fishlock.

In a report from Prague it A carefully-timed clue to says that two men were killed while refuelling a 150 MW gascooled reactor at Jaslovske Bonunice. How the operators were killed is not known, althought one suggestion is that a fresh fuel assembly was in-

THE EEC BUDGET DISPUTE

Parliament throws down the gauntlet

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT, IN BRUSSELS

THE NEW Year has got off to move on the grounds that the for the Common Market. The would depend partly on a sub-European Monetary System, stantially increased flow of European Monetary System, stantially increased flow of which was supposed to go into resources from the wealthier to orbit on January 2, remains the less prosperous EEC stuck on the launching pad. economies. Efforts to free EMS from France's controversial demands troversial. In the first place, it was supported even by the for accompanying changes in breached the statutory margin Gaullists, normally the most EEC farm financing arrange- by which the Parliament may vigorous opponents of any ments have so far failed to amend the draft budget, known make any headway. And, for as the "maximum rate." This the first time in its history, the is calculated on the basis of budget for the coming year.

In other circumstances, the use fixed for this year at about 11 per cent of so-called nonbudget dispute alone would be serious enough to prompt talk of the budget which does not for a "crisis" in Brussels. It flow directly from requirements raises numerous questions laid down in the EEC treaties, about the future division of The Parliament is prohibited decision-making responsibilities from altering obligatory expenin the Common Market and ditures, which account for touches, accordingly, on some roughly three-quarters of the extremely sensitive political budget and consist mostly of nerves in the member states. funds for agricultural price Unless it is resolved soon, there supports. is a risk that it will flare up into full-scale between EEC institutions, badly souring the atmosphere in the ment leaders themselves at of following "irregular" pro- week, Britain France and Den-run-up to next June's direct their December 1977 summit in cedures but without specifically mark added a new complication

a tug-of-war between the an impudent challenge to the determination of the most authority of the EEC's supreme sovereignty-conscious govern-decision-making body.
ments to keep major decisions

When EEC Budget firmly under their control and an attempt by an unexpectedly defiant European Parliament to carve out a bigger sphere of jected. But Britain and Italy, influence for its directly which together stood to receive elected successor. But few more than two-thirds of the disputes in the EEC are ever extra funds, jointly blocked the for its completely clear-cut, and this one has been blurred by a number of complicating factors which do not make for an easy vote, the amendment was tempt them into joining EMS. solution.

allowed to stand and the draft Finally. France was still fuming

The seeds of conflict were sown last October, when the Parliament for its final reading, normally supine Parliament The Budget Council had sprung a surprise by tacking an extra 480m units of account

The decision was doubly conhas no agreed various economic criteria and

ill flare up into Secondly, the value of this confrontation year's regional fund had been set at 620m UA by EEC govern-

When EEC Budget Ministers met last November, France and Germany pressed to have the regional fund amendment remove. After an unsuccessful French attempt to force the issue to be put to a unanimous budget was sent back to the The Budget Council had apparently expected the Parlia-

did nothing, invoking a hitherto over the Parliament's amend-obscure provision of the Rome ments by agreeing to increase treaty which states that if the Council fails to modify Parlin In exchange, the Parliament mentary amendments within 15 would be asked to approve a days, the budget shall be supplementary budget transferdeemed to be finally approved. ring most of the disputed This course of passive defiance extension of the powers of the

Parliament. Faced with this challenge, the good. Council and the Commission consulted their legal experts. In ment, but it is also threatened both cases, the conclusive by growing splits in the Counopinion given was that the cil. Italy, in the threes of a budget had indeed been adoo- new Government crisis, has Somewhat lamely, the warned that it will oppose any Council then dispatched a letter move to cut back the regional to the Parliament accusing it fund to its original size. Last

approved by the Council. But prospects for an agree-ment on these lines do not look Not only has it been coolly received by the Parlia-

retroactively the maximum rate.

increase from the regional fund

to other chapters of expenditure

Few disputes in the EEC are ever completely clear-cut, and this one has been blurred by a number of factors which do not make for an easy

solution.

their December 1911 summer to next June's direct clections to the European Parliament.

At its simplest, the row is attempt to alter that figure was an impudent challenge to the implement the budget on the implement the budget on the implement the budget on the EC's February expenditures, other cedures but without specifically mark added a new complication contesting the budget's validity. by refusing to accept the Parbasis of the Parliament's ver-

> Matters could not, however, so be left to rest there. The Parliament had clearly exceeded its not to dispute the budget's maximum rate and, moreover, validity, a view consistent with maximum rate and, moreover, its budget omitted some vital items. These included provisions for certain personnel expenses and 200m UA for interest rate subsidies promised to Ireland and Italy at last December's Brussels summit to tempt them into joining EMS. at what it saw as an outright snub by the Parliament and needed to be mollified.

In an effort to square some ment to back down by repealing of these objections, the Commis-(about £325m) onto the EEC its own amendment. But in the sion has been canvassing a com-regional fund, raising its value event, the Euro-MPs stood their promise whereby the Council to 1bn UA. It justified this ground. More precisely, they would resolve the legal quarrel

EEC's February expenditures, even though the six other governments had agreed to do

At first. Britain had agreed its efforts to secure a bigger regional fund. This position, however, flatly contradicted the insistence of the Labour Left that the powers of the Parlia-ment should be strictly curbed. So, with national and European elections scheduled this year, the Government abruptly shifted its ground and joined France and Denmark in a gesture of protest against an action which

it had previously supported. The Commission is now in an exceedingly awkward position. have failed to suggest any Unless some form of political practical solution to the current compromise can be negotiated impasse.

between the Council and the Parliament, it will be under increasingly strong pressure from the Euro-MPs to take Britain, France and Denmark to the European Court of Justice for failing to pay their full budget contributions. If it showed signs of foot-dragging, it could itself be taken to court by the Parliament for failing to implement the budget.

But the real nightmare haunting the Parliament is that an

ing the Berlaymont is that an impatient and angry Parliament may decide to exercise its ultimate sanction by summarily dis-missing all 13 Commissioners. It would be entirely within its Treaty rights to do so, though such a move would undoubtedly provoke a tempestuous response from the Parliament's critics in countries like France and Britain and probably lead to calls for the postponement of direct elections to punish the presumptuous assembly.

At present, most Commis-sioners do not believe that the threat of such action is very great. But then, few would have predicted a year ago that the Parliament would take such an intransigent stand over this year's budget, and even the optimists in Brussels becoming uneasily aware that the time for averting a head-on collision with the Parliament is

swiftly running out.
The hope remains that some compromise can be worked out in the Council, perhaps at today's meeting of Foreign Ministers. But France, currently occupying the Council presidency, is deeply involved in the dimentance in the dimentance of the council presidency. stronghold around San Schastian was already paralysed by strike action the dispute and is under strong pressure from the Gaullists at nome not to offer the sort of concessions which might make a negotiated settlement possible. So far, the French have sought to take steps which would en-sure that a similar imbroglio did not recor in the future but

Romania tightens control of agriculture

ROMANIA HAS initiated sweeping changes in the agricultural sector, aimed at countering recent serious set-backs in farm production. The main thrust of the reforms, announced by President Nicolae Ceausescu, will be to centralise the agricultural bureaucracy and thus keen a tighter rein on wastage and mismanagement

at the district level.

By the end of February,
so-called General State and Co-operative Agro-Industrial Councils will be set up. These will include state farms, collective forms, tractor and farm machinery stations, as well as all agricultural research institutes.

Though the various units will have their own budgets. cach Council will have one plan for the entire district and will also be responsible for fulfilling the planned targets. Its chairman will be the agricultural expert of the local Communist Party committee. President Ceausescu has cautioned that the new measures should in no way lead to an under-estimation or neglect of small private allotments cultivated by the collectivised farmers. However, the unified management of the agriculture amounts to an unprecedented degree of centralisation

Meanwhile, Ceausescu in a Bucharest speech blamed the farm sector, the food industry and delays in export deliveries for the non-fulfillment of important plan targets. A comparison of the report issued last week by the Central Planning Office with the plan targets show that a number of key targets—and not only in farming—were not reached.

Productivity was up by 7 instead of the projected 9 per cent, industrial output by 9 instead of the planned 10.6 per cent. Total foreign trade turnover increased by 10 per cent, but the original target was 19.1 per cent.

Mr. Ceausescu revealed that imports last year jumped by 16 per cent, but exports rose only by 6 per cent For the third year in

succession, farm output fell short of the targets. Thus, the output of cereal grains was only 18.9m against the projected 23.2m tonnes, regetable, fruit. grape growing, as well as livestock and meat targets, were also not reached. In all, gross farm output was up by 2.4 per cent instead of the projected 7-16 per cent. Far from reaching planned growth rates, the and cooking oil were down even compared to actual results in 1977...

farm Though 1950 and between showed a 350 per ceut risc it is still far behind per capita output in the West or more developed East bloc countries, such as East Germany and Czechoslovakia. Though accounting for more than one-third of the total labour force, farming in 1976 contributed less than 15 per of the GNP.

The revamping of agriculture comes only two years after a large-scale reorganisation. Observes are doubtful whether yet another revision and reshuffling of personnel will alone improve the situation without a corresponding shift in investment allocations. Last year farming accounted only for some 13.5 per cent of total investments in the economy.

Michelin chief shot in ETA Basque protest

By David Gardner in Barcelona M. GEORGES ROUZIER, manager of the Michelin tyre company's plants in Spain's Basque country, was released yesterday after a brief captivity. Gunmen kidnapped him in the town of Lasarte, but later let him go near San Sebastian with a gunshot wound in the leg. The attack was part of a wave of protests against last week's crackdown on Basque refugees by the French Government. The refugees are accused of using French territory as a base to aunch terrorist attacks inside Spain. Protests against the French

Government's action — which included the handover to the Spanish authorities of seven people and the deportation to Italy of 16 others—have continued throughout the past week in both the Freuch and Spanish Basque country, desincreased pite severely security measures. radical nationalist

. yesterday in protest against the arrests and the action of the French Government. The arrests, especially if the detainces are charged under a package of anti-terrorist measures passed by decree last week, will certainly meanthis strike action spreading

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Negotiations begin on labour contracts for 2m workers in Italy

BY RUPERT CORNWELL IN ROME

VITAL NEGOTIATIONS for the new round of labour contracts, covering the 1979-81 period, begin here today between employers and unions representing more than 2m workers in the building, metalworking and engineering industries.

The bargaining, particularly in the engineering sector where groups like Fiat and Olivetti are involved, promises to be long and hard. Its outcome may have a decisive impact on the course of the Italian economy over the period.

The initial positions of the two sides are far apart, and the employers have warned that to

give into the claims made by the engineering unions would not only severely damage com-petitiveness abroad but remove any chance of creating new jobs at home This attitude was shared by the outgoing Government of Sig. Giulio Andreotti, whose ambi-

tious economic recovery plan. running over the same period as the wage contracts, pinned its opes on the containment of labour costs.

The core of the programme is its goal of limiting wage in-creases to the rise in the cost

workers platform approved last wage over and above the automatic indexation embodied in the "scala mobile" system.

Moreover, many unionists are the British Government's incomes policy as proof that no such device would work for long in Italy either.

At the same time they are seeking a reduction in the working week from the present 40 hours to between \$6 and 38 hours, despite opposition from the employers and the powerful Communist Party which, at least until its withdrawal from the Government majority in days ago, supported the moderate line of the main union leaders.

Another request resisted by employers is for greater union involvement in corporate planning and decision making, which industry argues would only further add to the tasks of running a company.

The unions also are demand ing specific additional aid for the depressed south, something which is linked intimately to the overall economic strategy of the But the metal outgoing Government,

Dutch printers settle for trend-setting 3% pay rise

likely to set a trend, provides between 10 and 25 workers. At for increases of 3 per cent and present, Dutch legislation only contains agreements on issues such as early retirement and recruitment.

The printing settlement provides hopes of a breakthrough in the stalemate which has existed since central wage talks between the two sides of industry and the Government were called off in November. Last between discussions week. representing 240,000 metal-workers and 260,000 building workers were broken

The printers' 3 per cent pay rise is composed of an increase of just over 2 per cent to compensate for price rises and an increase in the basic rate of just under 1 per cent. The minimum holiday payment has been raised to F1 1,900 (£475) and an extra day's holiday will be given.

The two sides also reached agreement on an early retireand the workers themselves. The unions and the employers compensation mechanism.

THE FIRST main group of will draw up a plan to recruit Dutch workers-about 50,000 and train 1,000 new printers in printing industry employees— areas where there is a shortage has agreed a wage contract for Consultative councils will be set 1979. The settlement, which is up in companies employing

> The Dutch Government has agreed on a revised Bill to liberalise abortion after some of its proposals were criticised by the Council of State, an advisory body which reviews all draft bills before they are sent to Parliament. writes Charles Batchelor. Prime Minister Dries van Agt refused to give details of changes, but said the main points have been retained. namely that a woman and her doctor should decide whether an abortion should be carried out, and that abortions may be performed in a clinic up to three months, but only in hospital thereafter.

provides for works councils in concerns employing 100 or more.

The employers rejected union ment scheme for 63- and 64- demands for a flat rate increase year-olds in the industry. of Fl 20 (£5) a worker a month, Workers taking early retire- but the percentage increase now ment after at least 10 years agreed exceeds this sum, a union service will receive benefits spokesman said. The largest based on their last full wage. union federation, the FNV, is Premiums not covered by seeking an increase of Fl 20 a Government subsidies will be month to meet increases in the met equally by the employers cost of living which, it says, are not met by the automatic price

Danish bonds ban in force

BY, HILARY BARNES IN COPENHAGEN

THE BAN on the sale of Danish bonds yesterday, while the state knoner bonds to foreigners authorities worked out how to bonds issued in the 1950s, can nationally.

Trading continued in the EEC.

will come into force today. It apply the ban. Technically, it will apply to all bonds issued takes the form of a change in since 1975, which means that the foreign exchange regula-only a small number of state tions which redefines state bonds as money market papers: continue to be traded inter- short-term papers which can be excluded from the capital liberalisation regulations of the

Pinto faces parliamentary battle over tax on bonus

BY JIMMY BURNS IN LISBON

PORTUGAL'S non-party Gov-erument led by Sr. Carlos Mota Pinto is hoping to gauge today the extent of growing dissatis-faction among the political par-ties and trade unions for some of the Government's economic In what some observers here

see as the 10-week-old adminis-tration's first major Parliamenary test, Sr. Mota Pinto and his Ministers will face a barrage of questions on their controversial plan to introduce a 50-to-50 per cent tax on the traditional Christmas bonus. The Government will also be questioned on its intention of holding salary increases to a ceiling of 18 per cent this year and on plans to reduce the amount of central government spending on local

government projects.
The Government was clearly surprised by the criticism of its policies launched at the weekend by the Christian Democrat Party (CDS). The CDS accused the Government of incompetonce and implied that it might have to reconsider its support for the administration because of the new tax.

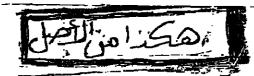
-Equally surprising was the weekend challenge launched by the recently-created non-Communist trade union organisation. the General Union of Workers (UGT). The UGT, which many observers had been expecting to adopt a more passive position than the rival Communist trade union Intersindical, said the levy on the Christmas bonus and the ceiling of 18 per cent were

unacceptable.



Sr. Carlos Mota Pinto

The new offensive from the parties and the unions has come at a delicate time for the Government. It coincides with the arrival today of an IMF team and the beginning of what is expected to be the renegotiation of the Portuguese "Letter of Intent" signed last May. The Government is hoping to re assure the IMF not only that the political crisis in Portugal is over but also that its budget and short-term economic plan for 1979 will be implemented once parliament approves it February 15.



A think

tank for

World

the Third

By Hugh O'Shaughnessy

THE developing nations of the

world, the ferocity of whose demands for change often

appear to scarify the chanceries

of the richer countries, have

pathetically few resources with

which to deal with the immense

task of carrying on detailed negotiations. They desperately

need a Think Tank and Secre-

tarlat to back up their en-deavours. Such at least is the

opinion of Mr. S. S. Ramphal,

who has had a wealth of experi

ence as an operator on the

well, only 56 of the 117 members

of the Group of 77 developing countries had resident missions

of them with fewer than ten

staff. U.S. staff in Geneva for

the MTNs alone was in excess

In the view of some people

it is little short of miraculous

that the developing world main-

tains the level of cohesion and

diplomatic initiative that it

currently does given the close

and efficient links that exists

through the OECD, EEC, NATO,

and other bodies and the grow-

ing temptations that exists

among the large members of

the developing world, such as Brazil, to cut and run from the

group and do their own deals

with the richer countries on a

The question facing the developing countries is in what

form should they cast their new secretariat which Ramphal has

provisionally christened the

OECDC, the Organisation for

Economic Co-operation among

Developing Countries. Should it be formed by the Non-Aligned

Movement which later this year

celebrates its summit meeting in

the Cuban capital and in which

President Fidel Castro aims to become increasingly important

or should the secretariat be

generated by the Group of 77,

the informal consultative body

of developing countries which

bodies of the UN Organisation?

in the principa

bilateral basis.

Cuba

of 150," he points out.

Geneva, the great majority

Salesmen cut their losses

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

UK industrial companies in- primarily built at the Royal variety of alternative vehicles, volved in contracts with Iran Ordnance Factories at Leeds While the loss or rundown now threatened with suspension alternative outlets for the weapons concerned.

Defence line is that the con- Other countries have been showtracts, involving more than ing interest in Chieftains for fibn and some 20,000 workers, some time. are still subject to re-negotiation with the Iranian Govern- to be some redundancies ment; it is believed that most cancelled entirely.

users for the weapons either management. in the UK or overseas. For example, the £600m deal the diesel engines it manufor 1,350 Shir One and Shir Iran factures for the Iranian

BY BRIJ KHINDARIA IN GENEVA

understandings reached with

to be flowing into Swiss banks from Iran and will come under

Millions of dollars are said

the National Bank.

(tank vehicles) and Nottingham or cancellation are looking for (the 120 mm guns), could be diverted partially to the British eapons concerned. Army, which needs to update term in While the official Ministry of some of its existing Chieftains. markets.

Nevertheless, there are likely Many companies involved in wil be cut substantially, if not Iran foresaw the possibility of difficulties, and began to seek and can redeploy the several new markets for their products hundred workers involved in The aim of the Ministry and new markets for their products hundred workers the affected companies is to before the end of last year, other programmes, minimise the losses by finding as a matter of prudent One immediate e

Rolls-Royce Motors believes Chieftain main battle tanks, Chieftains could be used in a

of the Iranian order would be a blow in the short-term, the company hopes to soften the longerterm impact by finding new

the Dynamics Similarly, Group of British Aerospace, whose £400m deal for the Tracked Rapier is under threat, already is busy on other guided weapons for the UK armed forces and overseas customers,

One immediate effect of the Iranian situation is likely to be greater competitiveness in world armaments markets, as Western companies all seek alternative outlets.

Swiss concern on flight capital ALARMED BY the rate of much money has entered inflow of Iranian money into Switzerland, but at Ieast \$2.4bn could face substantial fines

commercial banks are violating government and the Iranian central bank.
The new unit, a special commission set up jointly by the National Bank and the Swiss Bankers Association after the usual banking secrecy laws Chiasso affair, has begun an despite new conventions investigation to ascertain brought in to control unapproved foreign flight capital two are actively helping Iranian years ago, after the Chiasso flight capital to make its way

years ago, after the "Chiasso flight capital to affair" when one of the into Switzerland. country's largest banks took Mr. Peter Klan Mr. Peter Klauser, secretary huge losses because of alleged of the five-man commission, mismanagement by a branch which is presided over by a impossible to estimate how been aiding flight capital they activities

But the commission cannot Switzerland, a Swiss banking came in between October and watchdog unit has opened November last year with the enquiries to check whether apparent approval of the Shah's return the money to Iran nor can it force banks to divulge information.

Banking officials said that getting Iranian money out of the Swiss banking system will be next to impossible unless a future Iranian Government were able to prove beyond doubt that the money was obtained through theft or fraud. Tax evasion is not considered grounds for return of funds under Swiss regulations and no special accords have been concluded

with Iran The only possibility open to the new Iranian Government manager in the south eastern judge, said discretion was being will be to apply to Switzerland's city of Chiasso.

Justice and Police Department will be to apply to Switzerland's Banking officials said it was If Swiss banks are found to have to proceed against any criminal

Saudis oppose 'foreign interference'

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Foreign Minister declared yes cent and current changes in paper al Siyassa. terday that his country was opposed to any changes in Iran involving foreign interference and the alteration of balance of Iranians themselves," Prince

Saudi Arabia considers "re- terview with the daily news-Iran as a very natural development, if they reflect demands by Saud Al-Faisal stated in an in-

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ence that would tip the current

"It is not part of Saudi Arabia's policy to intervene in the domestic affairs of other countries," the Saudi Prince replied in answer to a question on his Government's attitude toward the recent political turmoil in Iran and the departure of

Earlier this month the rulers of this conservative kingdom appeared so alarmed by the popular uprising against the Shah that they sought assurances of continuing support from the United States. As a result a squadron of F-15 jets of the U.S. air force visited Saudi Arabia for a week to dis-

"But we oppose any changes which lead to foreign interferbalance of power in the area,"

Besides, the situation in Iran was not clear enough, he added. though "we do hear that the Iranians themselves are warning against foreign intervention."

Though the Suban leader and his Government will be straining every mustle this year—as indeed they have strained for more than a year already—to try to make sure that Cuba becomes the effective leader of the Third World through the Non-Aligned Movement, the unwillingness of many developing play the U.S. flag at a number of air bases. countries to accept Cuba's Marxist-Leninist ideologies and

its close relationship with the USSR makes it highly unlikely in the view of many observers that any OECDC will spring from the Havana summit. The less politically charged Group of 77 seems to some people to be the better bet. Were the 117 members of this

mis-named Group to pitch in with contributions only four need pay more than \$4m a year. The majority would get by with the modest enough contribution of \$25,000 and perhaps derive the added benefit of cutting their overall costs for diplomatic representation.

Though the realisation of the idea of an OECDC is still many months, perhaps years, away there are signs that the need for such a body is becoming more universally accepted in the Third World as it makes its preparations for UNCTAD V which is to be held in May

Next month sees the meeting at the Tanzanian town of Arusha American, African and Asian countries who are going to Manila. Each continental group has aiready had its own regional meeting to decide its local priorities. Perhaps the most highly organised has been the Latin American contingent who at the end of last year met to draw up their own priorities at the Uruguayan resort of Punta del Este and the Venezuelan capital Caracas under the aegis of SELA, the Latin American Economic System.

Communist

The ambitiously named SELA has been active for the past few years attempting to work out a Latin American consensus on economic topics and had some initial success in getting the Cubans at one end of the spectrum to sit down with, say, the Paraguayans and Nicaraguans at the other end of the political spectrum to elaborate a common position. Only last year, however, did its fortunes begin to lok up under the direction of its permanent secretary, the Ecuadorian economist and former Minister, Dr. Jaime

With a small staff in Caracas Dr. Monceyo is busy drawing up polices for the Latin Americans to pursue in their discussions with the EEC and in the various UN forums, drawing heavily on the work of the UN Economic Commission for Latin America based in Santiago.

Court judgment on Bhutto today

THE PAKISTAN Supreme Court will rule today on whether Mr. Zulfikar Ali Bhutto, the ousted Prime Minister, should hang for ordering the assassination of a political opponent four years ago, Renter reports from Rawalpindi.

A court spokesman said it would deliver its judgment on Mr. Bhutto's appeal against the conviction and

death sentence imposed by Labore High Court last March

Strict security has been imposed in Pakistan in preparation for the judgment. but the announcement will not be the end of an affair which began with Mr. Bhutto's arrest 17 months age on charges of ordering a 1974 ambush on Mr. Ahmed Raza Kasuri, a vocal critic of Mr. Bhutto. Mr. Kasup escaped, but his father, Mr.

investigation the case was filed

to murder Mr. Kasuri after an

altercation in June 1974 between

the two men in the National

Assembly. His instructions were

Mohammed Abbas, who in turn

Khan, was fatally wounded.

If the court rejects Mr.

Bhutto's appeal, his lawyers will have 30 days in which to petition the Supreme Court to

revise its opinion. If this fails, Mr. Bhutte, who is 51, would have seven days to petition for mercy. He could petition the military governor of the Punjab province, or go directly to President Zia ul-Haq.

But the army chief, who appointed himself President last Steptember after ousting

Mr. Bhutte in a bloodless coup in July, 1977, has said consistently that he will abide by the Supreme Court verdict it decides to order the execution of the ex-Premier.

Mr. Bhutto has said he would not petition for elemency and has commanded his family not to pctition on his behalf. He has shown contempt and disdain for General Zia, who he has described as a "chocolate soldier" and "knight on a white horse."

Pakistan's future on trial

international scene, first as the Foreign Minister of Guyana and ONE OF the world's most attempt on his life, but after an currently as Commonwealth Secretary-General. widely publicised court cases comes to an end today when untraced. It was re-opened the seven judges of Pakistan's soon after Mr. Bhutto was Supreme Court finally pro-ousted by General Zia. "During 1977 there were over 2,000 meeting days in Geneva for UNCTAD alone. And these nounce on the appeal against the death sentence of the were quite apart from other important negotiations at the deposed Prime Minister, Mr. Zulfikar Ali Bhutto.

ILO, GATT. WHO, and other international organisations in Geneva. In that year, which saw intensive activity in the Multilateral Trade Negotiations as But by itself the judgment will not lift the heavy cloud of uncertainty overhanging the country's future. Whatever it says, the decisive move must still come from General Zia-ul Haq, Pakistan's military ruler, and no one knows when that will come.

The verdict itself is nevertheless momentous for Pakistan. While Mr. Bhutto is alive he remains an incalculable force in country's politics, even languishing in jail. Dead he would be a martyr to his count-less supporters in the rural parts of his home province of Sind and all over the Punjab. It is not Mr. Bhutto alone who is on trial—the country's future is being decided.

It is hardly surprising, therefore, that the country has been virtually paralysed as it awaits the supreme court announce ment. The administration has postponed decisions pending a verdict. Political parties have loosened existing alliances in case the former leader should re-emerge. Businessmen refuse to invest.

The martial law authorities are taking no chances. In a nationwide swoop at the weekend they rounded up hundreds of Bhutto supporters, mainly local leaders of Mr. Bhutto's Pakistan People's Party (PPD). Police leave has been cancelled, and signs of military preparedness have grown more visible. Schools and colleges have been closed. A series of unexplained bombing incidents in major cities last week has added to the tension.

The controversial four month Labore high court that and the seemingly interminable sevenmonth appeal in Rawaipindi have served only to reinforce rather than undermine people's prejudices about Mr. Bhutto.

General Zia now stands by his undertaking to do the court's will. For his part Mr. Bhutto has told his family he wants no mercy appeal if the judges uphold the death sentence. Under the rigours of martial law and after last year's abortive attempt at confrontation Mr. Bhutto's party is poorly placed to start agitating. But many of the world's embassies in Islamabad, have their protest messages prepared.

The Supreme Court judges must pronounce on the Lahore court's conviction and sentence on three charges: death by hanging for murder, seven years jail for attempted murder, and five years for conspiracy to murder. Legal opinion differs on whether the court can reduce the death sentence to life imprisonment, with some lawvers saving that on all three counts it can only confirm the penalty or acquit. One other

alternative is a retrial. The case derives from an incident in November 1974 in which a car containing Mr. Ahmed Raza Kasuri, a member of Parliament who had spoken out against Mr. Bhutto, was ambushed in Lahore. Mr. Kasuri's father, a passenger in the car, died of bullet wounds. Mr. Kasuri named Mr. Bhutto

in Islamabad.

Kasuri's father died by mistake. According to the prosecution, the weapons directly implicated dent were frustrated by "pres-

Mahmood and the others on the day of the 1977 coup and during subsequent weeks brought a chain of alleged confessions which led to Mr. Bhutto's arrest and trial.

Mr. Bhutto initially refused to appeal. After an international outery which, as can now be seen, wasted irrecoverably much of the pressure that may yet be sought to save his life, an appeal was filed with the supreme court. Hearings began in May. After the controversial Lahore Trial the court went to great lengths to ensure that the defence was given a fair bearing, and Mr. Bhutto's lawyers went minutely about their task.

someone to be eliminated. They derided Masood Mahmood as dishonest and said the contradictory "confession" extracted from him was not independently corroborated.

At the Lahore trial, the pro-secution said Mr. Bhutto had conspired with the Director General of the Federal Security Force (FSF). Masood Mahmood, Evidence was also produced to show that the jeep supposedly used in the ambush could not at the time have been with the men confessing to the crime. One of these men was further shown to have been in Karachi said to have been passed on to the FSF's Director of Operaat the time he was supposed to be in Lahore. tions and Intelligence, Mian

The Government then produced three white papers while

The case of Mr. Bhutto (right), in the eyes of many Pakistanis, is basically an example of holding a political leader responsible for what he did in office, writes Chris Sherwell

inspector, to organise the assas-

sination. The men are alleged to have bungled the job, and Mr. the FSF, an organisation under Mr. Bhutto's control. But attempts to investigate the incisure, influence and coercion"

The detention of Masood

Mr. Bhutto did not treat the prosecution's case particularly seriously. But he took great exception to the way the court worked. He quickly concluded from what he felt were insults and humiliations that the court was prejudiced against him, and he boycotted the proceedings. He lost more faith when the court heard his own statement in camera after hearing the prosecution case in open court. When the court eventually found Mr. Bhutto guilty and sentenced him, and four others, to death last March, it produced a judgment which in its tone appeared to confirm Bhutto's supicion

They attacked the reliability of Mr. Kasuri as a man of capricious political loyalties whose as the instigator of the apparent criticism of Mr. Bhutto was so

instructed Ghulam Hussain, an the appeal went ahead. were aimed at blackening Mr. Bhutto's image in the eyes of the public. They said he had rigged the 1977 elections, manipulated the media and misused public funds. But critics found them unconvincing. When Mr. Bhutto wrote rejoinder from his death cell, the martial law authorities impounded the document. Journalists who quoted from one of the clandestinely from the Prime Minister and circulated copies were liabel to the FSF. Within ten months be accused of contempt of

> The judges themselves became embroiled in controversy when one of the original nine. thought by the defence to be pro - Bhutto, was not reappointed to the court on an ad hoc basis when he retired. This is normally a formality in such instances.

Panic gripped the Bhutto camp. Where the appeal had seemed to be going so well, suddenly there was the feeling that the court was being loaded against them.

Mr. Bhutto's personal appearauce at the end of the appeal then transformed the pessimistic mood. His wife, Begum Bhutto, who had been seeking outside advice which brought a showdown with Mr. Bhutto's lawyers, now emerged virtually certain that the former Prime Minister had clinched his case. The defence team agreed. But while his appearance was easily the most dramatic episode in the appeal, he added little that was new to the case and made no attempt whatsoever to answer the allegations concerning the original investigation of the

Mr. Bhutto told the court he was not concerned to demonstrate his innocence; the prosecution had to prove his guilt beyond all reasonable doubt. He said there was no case against him. He had no motive to kill Mr. Kasuri, and was involved in no conspiracy; the conspiracy was against him. He told the

incident.

ineffectual, that he was hardly him if they wished, because he had at last had the opportunity to speak. But if they did hang quences for Pakistan would be traumatic. It was a remarkable performance.

Few people doubt that Mr. Bhutto has been given a fair hearing in his appeal, and by his own statements he will have difficulty rejecting the court's judgment if it finally goes against him. British, French and American lawyers who have examined the case and heard the proceedings are satisfied that the appeal has been fair, but they are also certain that the charges would not stand up in their own courts.

While the evidence may seem circumstantial to Western eyes, Pakistan's law takes account of a traditional tendency to deal directly with one's enemies and where justified aims to convict the person giving the orders. On top of this the incident took place under a regime where "dirty tricks" if not murder were widely believed to be a legitimate part of politics. Certainly Mr. Bhutto was known to be a petty and vindictive man as well as a remarkable leader.

The questions constantly asked concerning political influence on the judges remain unanswered. The judiciary has a reputation for independence in Pakistan, but like all judiciaries Not to acknowledge to Bhutto supporters that General Zia. Mr. Justice Mushtaq Hussain (the chief justice at the Lahore trial) and Chief Justice Anwarul Haq are close to each other is to appear naive.

In the eyes of many Pakistanis for Bhutto case is not a way of overcoming a political succession problem, but quintessentially an example of holding a political leader responsible for what he did in office. The military government has pressed ahead resolutely ability" an all fronts, punishing former office-bearers by dis-qualifying them from politics through military tribunals.

The Bhutto case has nevertheless become a salutary example of how not to hand a succession problem, for all the Government's insistent protests that it is just a private case. The uncertainty paralysing the country will continue once the judgment is handed down while General Zia decides whether to commute a death sentence or, in the event of acquittal, to press further charges already in the pipeline. Public reaction will be critical.

Regardless of the outcome, a return to representative government looks as far away as ever. The divisions within the country have deepened. The attempt to build an Islamic order has produced precious little and the economy remains in difficult straits. At the same time, events in Iran and Afghanistan and seemingly uncountered moves of the Soviet Union in the region have increased the Government's uneasiness.

Bhutto supporters declare rather arrogantly that if he is hanged the country will break Opponents are convinced that his rule country to the brink of fragmentation, and they fear his return. Pakistan's tragedy is that in the absence of national unity and political stability at home and judges he had full confidence in support from abroad, both may them, and said they could hang be right.

Former chief of BOSS will not be prosecuted

BY QUENTIN PEEL IN CAPE TOWN Jimmy Kruger, South launched the traditional motion

Africa's Justice Minister, yester- of no confidence in the Govern-Gen. Hendrik van den Bergh, scandal. the former head of the South African secret service, for conof a deliberate Government

General. Mr Kruger was accused by Opposition Progressive Federal the administration of justice."

announced last night.

day refused to overrule his ment with an all-out attack on Attorney-General and prosecute its handling of the information He accused the Government of making Dr. Connie Mulder,

tempt of a judicial commission. the former Information Mini-In the face of accusations by ster, a scapegoat for the misuse the parliamentary Opposition of public money in his depart ment, when it must have been cover-up of the ramifications of known to several, if not all, the Information Department Cabinet members. Mr. John scandal. Mr. Kruger said it Vorster the former Prime would be contrary to tradition Minister and now state Presioverrule the Attorney deat, Mr. Owen Horwood, the Minister of Finance and Mr. P. W. Botha, the present Prime Mr. Colin Eglin, leader of the Minister and Defence Minister were all "responsible for their Party of "making a travesty of respective parts in the corruption of a system of parlia-

Opposition leader mentary control." Pretoria lowers bank rate by 0.5%

BY OUR JOHANNESBURG CORRESPONDENT over the past two weeks, is another clear move to stimu-THE BANK Rate in South Africa is to be reduced from 8.5 per cent to 8 per cent late the flagging South African economy. with effect from today, the

Bank overdraft rates, as well as building society and South African Reserve Bank post office savings accounts rates, are expected to follow The move, which follows a considerable easing of interest rates in the markets

BY JOHN WORRALL IN NAIROBI

A NEW " kill Amin " movement,

It is not known whether SUM

An oil tank belonging to AGIP spokesman in Nairobi said the group claimed responsibility for the explosion and the oil tank

Uganda radio on Saturday to a killer squad " sent into Uganda from Tanzania by Dr. Milton Obote, the former Uganda President, to kill him and other prominent people, may be an attempt to show that SUM comes from outside the country.

Anti-Amin group in action

the Save Uganda Movement (SUM), has gone into action in town-Amin beware." Some pamphlets have found their way to Nairobi, in the possession of

is responsible for the violence in Kampala on Sunday which continued yesterday. A bomb disrupted electricity supplies on Sunday and the blackout in Kampala continued vesterday. Uganda radio, which had to use its auxiliary generator, made no mention yesterday of the vio-

was set on fire in the Kampala industrial area on Sunday, and troops patrolling the streets have set up roadblocks. A SUM

President Amin's reference on

The SUM pamphlet says it was formed to "kill Amin and his mercenary henchmen." Kampala, flooding the city with called on "patriotic soldiers to pamphlets headed "SUM is in kill Amin now or he will shoot

you like Ondoga, Arube Ochima and many other gallant soldiers. "It appealed to civil servants to locate Amin "for killing," and 'appeals to the whole Uganda population to prevent Amin from running away.

It reminded Ugandans that Amin killed Archbishop Luwum, Mr. Benedicto Kiwanuka. the Chief Justice, Mr. Mubiro, the governor of the Bank of Uganda, Mr. Frank Kalimuzo. the Vice-Chancellor of Makerere University, and thousands of other sons and daughters of Uganda.

With the Tanzanian army ranged along the border west of Lake Victoria, and Dr. Milton Obote recently urging the people and army of Uganda to rebel against Amin, pressures against the Ugandan dictator are increasing.

Amin said last week that Tanzanian forces have been shelling up to 18 miles inside Uganda. Last week, Tanzania admitted moving into a strip of Ugandan territory, in hot pursuit of invading Ugandan troops, but has denied attempts at in-

Dividend Notice

The Board of Directors of Republic New York Corporation has declared an increase in the quarterly dividend from 38¢ per share to 50¢ per share payable April 1, 1979 to stockholders of record March 15, 1979.

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Opposition re-groups against Somoza

By Hugh O'Shaughnessy

THE NEXT bout of civil war should not be long coming to Nicaragua. In the months since August and September when the general insurrection against four decades of dictatorship by the Somoza family was smothered by the National Guard of the President, General Anastasio Somoza, there have been few signs of compromise or reconciliation between the Government and the governed.

General Somoza has been unwilling to make any concessions to popular demands that he should leave the presidency and F-16 fighters from General make way for a democratically elected government. The opposition, which includes all currents of political opinion from the conservative to the Marxist, that he must and will go.

The never very promising operation mounted by the U.S., Guatemalan and Dominican governments to mediate between the General and his opponents looks as though it has finally expired having achieved nothing. The mediators have gone home and no one knows when-if ever-they will return.

The opposition is, meanwhile, regrouping itself politically and militarily. Out of the mass of splinter opposition groups that Nicaragua's tiny population somehow throws up the Group of Twelve business, professional and church people is trying to weld a coherent force.

Group of Twelve

The Group of Twelve who occupy a democratic centre-left position and who are in close touch with the Sandinista guerrilla movement are the most popular political group in the country. They are now hard at work trying to put together a Patriotic Front which would include Conservatives, Liberals, Christian Democrats and others who seek an emergent democracy in this tortured Central American - republic. Such a front would present itself as a realistic alternative to four decades of Somoza rule, seek international acceptance and coordinate an international boycost of the Somoza regime.

The Twelve argue that Somoza's position would be rade impossible if, for instance, an oil embargo was instituted against Nicaragua. Though they acknowledge that U.S. action against General Somoza in the International Monetary Fund and the international capital markets has seriously weakened his position they argue that Washington has moved too slowly and too late against

iweive meanwhile are considering establishing themselves more formally by starting a Sandinista Party, named like the guerrilla movement, after a nationalist leader of the 1920's and 1930's who resisted the U.S. occupation of Nica-ragua and who was killed in treacherous circumstances by President Anastasio Somoza, founder of the dynasty and father of the present head of

Sandinista factions

Few realists however think that Somoza will be ousted by political manoeuverings alone. The Sandinista guerrillas, who are divided into three differing factions, have done their best to sink their differences and have reportedly retrained and fighting. Despite U.S. attempts to dissuade them, a number of Latın American governments, including notably that of President Carlos Andres Perez of Venezuela, have been aiding the guerrillas. The Sandinistas have also benefited from the ment to acknowledge that the Sandinistas are in their majority political pluralists and not the Marxist-Leninists that Havana would like them to be. Havana's help to the guerrillas, though not crucial, is useful to

MAPCO IS LP-GAS, BUT...

225 MAPCO-owned and distributor-owned Thermogas brand retail LP-gas outlets also sell appliances and liquid fertilizer in 11 states. MAPCO also produces and markets oil, natural gas, gas liquids and coal, operates LPG and anhydrous ammonia pipelines, and produces and sells sonic instrumentation devices, filtration equippollution control roducts.

For a closer look at MAPCO's diversification and profitable

Defence chiefs play down U.S. move to Renault may supply car cancellation of Iran orders Communist

BY STEWART FLEMING IN NEW YORK

were yesterday playing down the impact of Iran's likely cancellation of \$8bn of orders for military equipment from U.S.

There is greater concern

about the effect on the U.S. balance of payments, since military sales to Iran have bulked large in the positive trade balance with that country. It has been suspected for some weeks that several major orders for military equipment would prohably be cancelled, chiefly the \$3.2bn order for

Dynamics. Between 1980 and 1983, 160 aircraft were due to be delivered, and a follow-on order for another 140 had been the conservative to the Marxist, expected. So far only 50 air-for its part is equally adamant craft had gone to contract. Aerospace analysts, such as

Mr. Alan Benasuli of stockbrokers Drexel, Burnham, Lambert in New York, agreed with Government and company company

is taking 1.388 of the aircraft and 347 more are expected to be sold in Europe and 75 in Israel. Canada is also considering a substantial fighter aircraft order, and could buy the F-16. Deliveries could simply be diverted to other countries.

Contracts are with the U.S. Defence Department Foreign Military Sales Office, which takes payments in advance from foreign nations ordering equipment. It also holds a trust fund from Iran, now totalling \$660m, to cover the costs of cancellations and subsequent disposal of equipment.

Defence Department officials figure was rising sharply. Suggest that the seven Airborne Warning and Control System to slump sharply, but the U.S. (AWACS) aircraft from Boeing will have to replace the \$3bn which Iran was expected to buy for \$1.1bn may also besold elsewhere, perhaps to NATO. The most immediate loss of

U.S. DEFENCE DEPARTMENT officials yesterday over the revenue could affect McDonnell impact of a cancellation on Douglas, which is likely to see companies.

It is pointed out that the U.S. reconnaissance aircraft cancellation of \$80 n of orders for its taking 1.388 of the aircraft cancelled. These are the last of a batch for Language which 200 batch for Iran, of which 200 have already been delivered. The contract is worth \$175m. the company says, but since 5,000 of the F-4 Phantoms have

already been delivered, can-cellation would have only a slight impact.
It is estimated that Iran has bought or ordered \$20bn of U.S. military equipment in recent year. Iran could now virtually disappear as a customer.

Last year, moreover, military exports to Iran are estimated to have accounted for about a third of the U.S.'s \$3.4bn export earnings from Iran and the

will have to replace the \$3bn of oil, or 5 per cent of consumption, it imported from Iran with oil from other sources, unless it can cut consumption.

Trudeau gives in over dollar

BY VICTOR MACKIE IN OTTAWA

MR. PIERRE TRUDEAU, the conference to be held within ference will continue for two Canadian Prime Minister, has three months, amid reports that days and may provide a spring-capitulated to Opposition a consensus could exist over a board for the Prime Minister to demands that the Governor of few of the issues. The content of the Bank of Canada be called before a committee investigating the serious decline of the dollar.

Mr. Trudeau yesterday bitterly condemned the separatist Parti Quebecois government

Mr. Joe Clark, the Opposition leader, led three days of attacks on Mr. Trudeau, who had refused to allow the Finance Committee to look into the dollar's decline, offering instead debate in the House of Commons.

Yesterday Mr. Trudeau gave in and Mr. Gerald Bouey, the governor, will appear for three hours today to answer questions on soaring interest rates and the

Yesterday Mr. Trudeau met ten provincial premiers at the second constitutional reform



Mr. Joe Clark . . . wins dollar investigation

tist Parti Quebecois government of Quebec. He accused it of preparing to perpetrate a swindle in the province's referendum on independence, expected next year. A separation from Quebec

would mean the end of Canada. with the other provinces "falling into the lap of the United States," he said. "I think that inevitably and sooner rather than later, the constituent parts of Canada would fall back into their north-south axis . . . and would fall into the American lap."

Changes in new strip mining law

BY JOHN WYLES IN NEW YORK

THE DEPARTMENT of the In- won the acclamation of environ- environmental lobby, sensing a terior is expected to publish mental lobbies.

new regulations for the strip

The Department of the Inright of the White House to innew regulations for the strip mining industry later this terior first published proposals terfere in preparation of the month which will partially last September which spelled regulations, but were defeated. reflect the tensions within the out coal mining companies' Administration between en-responsibilities for restoring face Mining produced new pro-

uniform environmental stan- ious to attack the inflationary lattitude in achieving the goals dards for strip mining, under impact of federal regulations, laid down by the legislation. the Surface Mining Control and had voiced strong criticisms. Reclamation Act of 1977. The They claimed that the regulalegislation, passed with much tions would add \$2bn a year to fanfare from the White House, the cost of coal by 1985. The its responsibilities.

Concern about food price

rises has in the past year

increased both in the Admini-

stration and in Congress, as political pressures to help the

farmers have slackened. Presi-

dent Carter raised the target prices for some grain commodi-

ties slightly last autumn, but

made it clear he intended to take no further action in view

of inflation, and the improve-

ment last year in farm incomes. These increased, with the help

of a bumper 1978 corn crop, to

a net figure of \$28bn. 1977 was a bad year, and that

regulations, but were defeated. Last week the Office of Sur-Environmental activists have

Farmers' tractorcade disrupts Washington

BY DAVID BUCHAN IN WASHINGTON

HUNDREDS of trundled early yesterday onto the streets of Washington in a just before the First World War. massive demonstration organised by the American Agriculture Movement, aimed at getting the Administration and Congress ot raise farm prices.

The 2,000 strong "tractorcade" severely disrupted morning traffic, and by midday had reached Capitol Hill for a protest rally. The AAM, some of whose members had driven their tractors for several weeks form Texas and California, vowed to keep the tractors in Washington until it achieved its

Its chief demand is the rais- farmers' incomes are well down ing of farm commodity prices AAM spokesmen argue that to 90 per cent of parity. This from the \$33bn level in the 'parity" is a measure of where record year of 1973.

104 die in **Brazil flood** tractors farmer's incomes were in relation to those of other workers

CONTINUAL RAIN for 25 days has caused heavy flooding in Brazilian states of Minas Gerais and Espirito Santo, with a death toll so far of 104, and 55,000 left homeless. A state of "public calamity" has been declared in 140 towns in the two states.

Damage to property, not counting agricultural losses, is estimated at 1bn cruzeiros (£25m) in Minas Gerais, and cruzeiros in Espirito Santo. The areas worst hit so far are

the valleys of the rivers Rio Doce, Jequitinhona and Sao Francisco. The latter has reached within 60 centimeters of the fop of the important Tres Marias dam, whose sluice gates have been opened, aggravating the problem downstream.

U.S. considers oil swap

BY DAVID LASCELLES IN NEW YORK

THE DEPARTMENT of Energy a like amount of Mexican oil an opportunity for a new debate may ask Congress to approve exports to Japan being shipped on controls. exports of Alaskan oil to Japan, to the U.S. Apart from saving If the plan under a complicated swap both the U.S. and Japan thous it would raise questions about arrangement with Mexico, to ands of miles in transport costs, its effect on British Petroleum's drain the oil surplus on the this would rationalise the flow U.S. West Coast. The depart- of energy from supplier to ment is still cautious about the plan, and will say only that Alaskan oil exports are "under

The law on oil exports is strict, and all shipments must receive Congressional approval, generally refused because of the II.S. oil deficit. Thus Alaskan oil, now produced at a rate of 12m harrels a day, must be consumed domestically, even i'e-ibullon system.

Because of environmental chiesticus, there is no major cincline to take the oil from the Pacific to the central U.S. and across to the East Coast, where demand is greatest. So being transported to the east at towards the idea. great cost through the Panama

some Alaskan oil would be the Export Administration Act, production average for the full

consumer, along the lines of the gas swap agreement involving Iran, the Soviet Union and West

to clear several hurdles. Congress has been hostile to exporting U.S. oil when the U.S. imports nearly half its total consumption. However, the

Energy Secretary, said during testimony to the Senate Energy Committee last month: "We have tried to soften Congressional resistance to such swap arangements," and several Senators indicated that they oil is piling up in California or were more favourably disposed Of the two pieces of legisla-

tion which restrict Alaskan oil exports, one, an amendment to 2.2m barrel-a-day ceiling as a shipped to Japan in return for will expire in June, providing year, to conserve reserves.

If the plan were to go ahead. majority - owned subsidiary Sohio, which is the major Alaskan producer.

Sohio is seeking approval for a pipeline from Long Beach, California, to New Mexico, to But the proposal would have carry its oil east and avoid the costly Panama route. This would presumably be affected if the oil was re-allocated to Japan. However, the department's pro-posal may specify that only oil in excess of present production consumption. However, the posar may believes Congress in excess of present production is now less opposed than it was should be exported, meaning that Sohio's plans would not be

AP adds from Caracas: Vene zuela's oil production, on which it depends for nearly 95 per cent of export earnings, continues at a high level early in 1979, according to the Energy and Mines Ministry. Average daily production this year up to January 30 was

2,262,685 barrels. The Government has set a

trading

By David Buchan in Washington LEGISLATION allowing the U.S. to grant tariff and trade concessions more even handedly between the Soviet Union and China was proposed resterday by Senator Adlai Stevenson, chairman of the Senate banking sub-committee on international

The 1974 Trade Act. under the Jackson-Vanik Amendment, bars most favoured nation tariff treatment or Export-import Bank credits to Communist countries that do not allow free emigration. The Carter Administration believes China's emigration policy is liberal enough to pass this test. So do certain key members of Con-gress, including Senator Henry Jackson, one of the original restriction's co-sponsors.

Senator Stevenson, arguing that an even handed policy by the U.S. towards Russia and China might prevent the exacerbation of tensions between those two countries, has proposed modifying the language of the Jackson-Vanik Amend-ment to give the Russians the trade credit and tariff concessions promised them in 1972 by the Nixon Administration, but since withheld by Congress.

The Stevenson Bill, which has the Administration's tacit sup-port, would allow President Carter to waive the trade res-trictions if he "determines" Soviet emigration practices are satisfactory. Jewish emigration from the Soviet Union has recently increased, with 5,000 leaving in December alone.

Senator Stevenson has also proposed a \$2bn ceiling on Export-import bank loans and guarantees to any one Com-munist country. Under current law, there is a limit, albeit notional of \$300m on Export-import bank credits to the Soviet Union, while there is none for

China. MFN tariff status and Eximbank credits for China would form part of the trade agreement, which Mrs. Juanita Kreps, the U.S. Commerce Secretary is to negotiate in Peking in April. Credits, both Government and commercial, and tariff conces-sions, to allow the Chinese to increase their hard currency export earnings, are considered essential if China is to be able to pay for all the technology the U.S. is hoping to sell it.

Bahrain hospital

IBIS Medical, a British hospital contractor, yesterday handed over on schedule a £9m 129-bed military hospital at West vironmentalists and economists. land after strip mining. But it posals, which should become Riffa for the Bahrain Defence The regulations are the first emerged early last month that final later this month. They Force. The hospital is 90 per attempt to establish minimum White House economists, anx-tend to give companies more cent British equipped. IBIS was backed in the project by consulting engineers Alistair McCowan and Associates, and

engine parts to S. Korea

ment to supply parts to the expanding South Korean motor industry.

The group has been asked to tender for the contract by Hyundai Motor, the Korean company which went into production with its first vehicle,

are connected with the decision of the South Korean company to expand its car building activi-

RENAULT. THE French motor invest in a new plant capable company, is looking into the possibility of a licensing agree-close to the norm of the weeks, follows a year of intensitying European or Japanese indus-tries of about 300,000 units a year. Some 150,000 of these year. Some 150,000 of these vehicles are expected to he

designed in South Korea, unlike and Mexico, and to develop the Pony, which was styled and Portuguese motor industry. Contacts between the two that it will be putting together groups, which followed similar talks between Hyundai and mainly engine components to Volkswagen of West Germany, are connected with the decision conceived by Western European

within the next few weeks, follows a year of intensifying activity for the French group

In this period plans have been wehicles are expected announced to double its manual function of the new car will be basically facturing activities in Turkey and Mexico, and to develop the motor industry.

More recently it has signed an that it will be putting together will give it access to the Ameri-proposals for a project to supply can motor sales network, evenmainly engine components to tually leading to the assembly of its cars in North America.

The next logical step in this Koreans are planning for the development overseas would be mechanical units of the car, in the Far East where much of in the Far East where much of According to reports from bought in designs and parts industry is expected within the Korea, Hyundai is planning to from foreign manufacturers.

'Rent-a-Rolls' scheme for Japan

February 19 at the newly estab- another \50m for maintenance lished Tokyo company Rolls- of the cars, the company still Royce Rent-a-Lease. , considers the venture profitable

bought five new Silver Shadows costing Y20m each (or about £50,000) through a Japanese importer Cornes and Co. A Silver Shadow will be available for a rental charge of Y50,500 including a basic rental charge in Japan (only 400 vehicles) low-volume sales policy. Toyota of Y50,000 per half day (£125) Rolls-Royce always draws aften it added that the sales of the

at an operating rate of 50 per

A private real estate com-pany Hayashida Kosan has will gain vintage value in Japan Factors beht bought five new Silver Shadows

over the years. of Y50,000 per half day (£125) in Japan (only 400 vehicles) and up to 200 kilometres and ty9,500 for insurance. An ordinary Japanese car rental costs Y13,000 for half a day.

The company has calculated the rental rate on the premise.

ROLLS-ROYCE Silver Shadows
will be available for rental for the first time in Japan from the five Rolls-Royce cars and the five Royce cars and the five Royce cars and the five Royce cars another Y50m for maintenance of the cars, the company still per cent from a year before, considers the venture profitable and 35.161 European cars, up

Factors behind the rise included the elimination of tariffs Mr. Kumaichi Hayashida, on imported cars last March,

The company has calculated the rental rate on the premise that the price of the cars will be recouped in five years time, at an operating rate of 50 are in 1978 rose 20 per cent to a to reinforce their sales networks record 50,374 from 41,521 in in Japan.

Islamic defence conference opens

BY ANTHONY McDERMOTT

at the Heathrow Hotel, London, attracted a strong interest in military sales. A total of 19 former Deputy Prime Minister to missiles and advanced companies from Europe to the of Turkey and leader of the companies from Europe to the of Turkey and leader of the strength of the sented at an arms exhibition accompanying the conference, which ends on Friday.

The conference mitments at home."

Scotland Yard forbade detailed reporting of the arms display. However, exhibits to missiles and advanced alternate.

In the first edition of the magazine of the islamic institute of Defence Technology.

The conference, at which 17 Islamic countries (notably not Iran) were represented. was opened by Mr. Salem Azzem, the this revival; that there should Sandi president of the Islamic Institute of Defence Technology. set up last year.

His speech was followed by a advanced technology, and that message from General Zia al Islamic countries needed strong Haq, the Pakistani President, defences to preserve social who was unable to attend stability.

be greater Western understanding of Islam and the recent Islamic resurgence; that there was no need for apprehension at be closer co-operation between the Moslem world and the West especially in the field of

the estimated defence spending in the 1978-79 budget of 42 Moslem listed amounted to \$36.3bn (£18bu), of which Saudi Arabia, Iran, Egypt, Nigeria, Turkey, Indonesia, Syria, Iraq and Pakistan accounted for about 90 per cent.

No less than 10 Swedish companies were represented, and Ferranti was the best-known British company there.

LOW AIR FARE CONFRONTATION

Qantas-BA duopoly angers ASEAN

EXTRA CREAP advance purchase excursion air fares between Australia and the UK and the west coast of the United States began on February 1.

But this step towards the iberation of Australia from the tyranny of distance has upset its relations with its South East Asian neighbours.

Australians have been quite taken aback by the storm that the new deal has triggered from the five ASEAN nations led by Singapore. It reflects, and could influence, significant developments in international civil aviation partly spurred by

Lakerism. The ASEAN nations, notably Singapore, are worried at the effect of the new fares in their own airlines and on their tourist traffic originating from Austra-lia. Specifically they charge that the new low fare arrangements are:

 Highly protectionist in that highly protectionist in that third country carriers are excluded. Thus Qantas and British Airways have a duopoly on the low fare Australia-UK route. This will cause ASEAN carriers to lose much of the that that handle at the traffic that they handle at

• That because the new fares do not allow stopovers, South East Asian countries will lose much of the tourist business they currently gather from Australians staying for a few days in Asia en route to the

Although they prefer not to say so too loudly, the ASEAN countries, especially Singapore, are as much concerned at the spread of the principles volved in the new Australia-UK arrangements as they are about the Australian traffic Itself.

A combination of consumer demand for cheap fares. national carrier protectionism and technical developments in aviation may be combining to erode the advantages that South East Asia enjoys as a link between east and west, north

Exploitation of this link has helped the rapid growth of regional carriers and, to a lesser degree, tourism itself.

sented a united front in opposing-without much successthe Australian fares policy, to national carriers, a duopoly There clearly is an identity of commercial interest between the five nations.

But the Australians bave countries concerned

that is a blatant example of air line protectionism. It is also a direct assault on third country carriers offering better in-flight been trying to exploit some service and non-IATA perks. potential divergence of interest For public consumption at between them, notably between least, ASEAN has been making more of a fuss about stopovers

So Australia and the UK pro-

duced a cheap fare deal confined

Residents in the seaside resort of Port Dickson, in Malaysia. 110 kilometres south-west of Kuala Lumpur, have complained about sonic booms which, they say, are caused by Concorde aircraft passing over the Straits of Malacca between Singapore

and London. In a telegram to the Friends of the Earth Society of Malaysia, a Port Diekson resident urged the FESM to register a strong profest with authorities. mainly with tourism and those than about airline exclusivity.

- principally Singapore least as concerned with the airline business per se. Some of the partners are also tourism than traffic rights. privately critical of Singapore's

There have been threats of retaliation and calls for boycotts of Australian goods. Indeed, Singapore ministers, who normally freat third world have been saying this is a north-

sharp reaction to the present

south issue and that Australia be "exposed" at UNCTAD. Singapore is about the last country which would cut off its nose to spite its face, but the amount of noise it has been making illustrates how important it feels the airline business is to its economy.

Defensive move

The origins of the dispute lie in the political pressure for low generated in Australia. A new cheap fares policy put forward last year by Qantas was essentially a defensive response to Laker.

could at one stroke keep out return. Such a structure would Laker himself and at the same almost inevitably result in time win back some of the traffic which it had been losing stantial stopover premium.
to other carriers.

It would also mean that

British Airways was also more

₹,

Some see this as a shrewd move support of its partners who are probably more concerned with

There is nothing new in stop-overs not being allowed under advance purchase excursion fares. That has applied on the Australia-UK advance purchase fare which has been operating since 1977.

What is causing the row is that the new advance purchase fare is now so much lower than the normal excursion fare, which allows limited stopovers on payment of additional fees, that stopovers will become relatively much less attractive unless these fares are also

Discussions have been going on between Australia and the UK on new stopover excursions. But any agreement will also have to involve the ASEAN countries concerned. An interim olution may be reached but in the longer run an entirely new fares basis may have to be found.

Australia is arguing that the stopover fare should consist of two end-to-end cheap excursion aker. fares—say, Sydney-Bangkok But the airline saw that it return plus Bangkok-London passengers having to pay a sub-

Up to now ASEAN has pre- that neatly carved up the traffic. structures with European sive local farcs.

countries, who in turn might also demand duopolies. The Australian move looks

quite shrewd. It is forcing the ASEAN nations to talk about lower fares. At the same time, by pushing the duopoly concept, it is hoping to soften ASEAN solidarity. Some ASEAN airlines might benefit from such an arrange-

ment. At the same time, unless

the ASEAN nations can agree

a common policy with the Australians they will all luse

tourist traffic growth because of the Australian tourist preference for multi-destination tours of South East Asia, ASEAN is likely to maintain its superficial unity on the aviation issue. It has invested too much of its own credibility

not to do so. But it is on the defensive. The emphasis now in international civil aviation is on low cost, high volume end-to-end traffic. It is a trend that is being accelerated by the appearance of very long haul

Aviation centre

Singapore is not going to be by-passed completely. Airlines still have to refuel somewhere. Facilities in Singapore are excellent and will be better still when the new Changi Airport opens in two years time.

Bangkok is anxious to win back some lost ground as a regional aviation centre, esperially as aircraft can once again overfly Indochina. But it has its drawbacks, including peaktime overcrowding.

But the Laker revolution as modified by national carrier protectionism is altering the fundamentals, it is eruding the easy growth conditions that South East Asian airlines have enjoyed in recent years on intercontinental routes.

If they are to continue to grow as rapidly as in the past. they may need to concentrate more attention on their own backyards where "Lakerism" is badly needed. Australia and ASEAN countries would have to one aviation charactristic in than content with a proposal negotiate their own low fare common—inordinately expen-

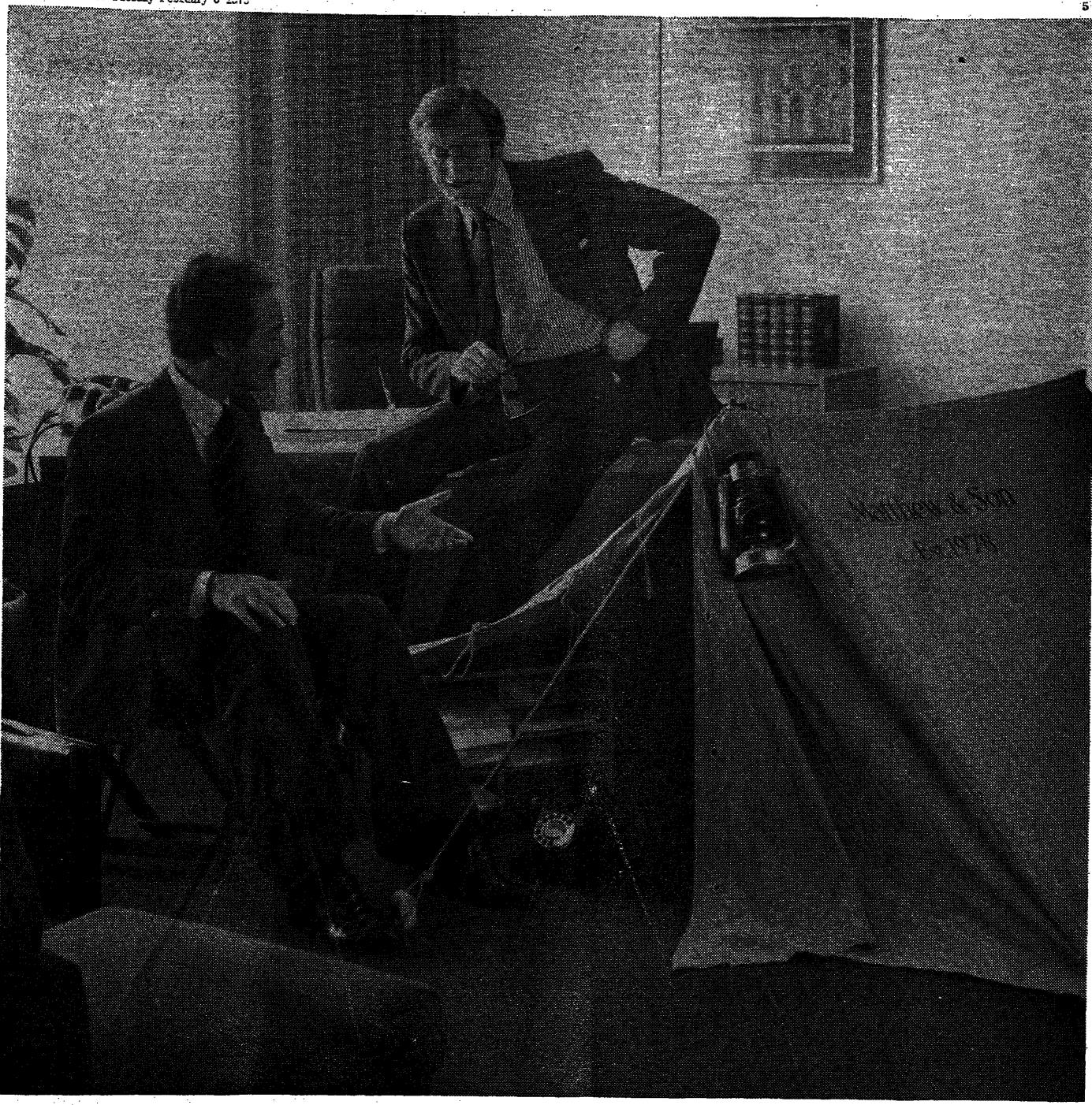




المحكدا من التجل

; 1979

Financial Times 'tuesday reacting to mile



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ON THE PROCESSION OF THE PROCESSION OF

New oil hope in North Sea find

By Kevin Done, Energy Correspondent

PHILLIPS PETROLEUM bas boosted the prospects for the commercial development of its Toni/Thelma oil find in the North Sea with encouraging results from the latest appraisal

The well, the seventh to be drilled on block 16/17, close to the median line with the Norwegian sector, flowed 3,012 bar-rels of oil a day in one test along with 5.28m cubic feet of

a gas. The results were less conclusive than had been hoped, however, because later tests had to be abandoned due to a lack of vital safety equipment. Hydrogen sulphide gas was present as well as natural gas and crude oil when a higher rock stratum was tested, but the drilling rig, Pacesetter One, lacked the equipment to test the find

Block 16/17 is proving to be one of the more geologically complex areas of the North Sea and Phillips has decided to press straight on with a further appraisal well, the eighth on the Toni/Thelma find.

The seventh well was drilled to a depth of 14,970 feet. The crude oil was tested in the Middle Jurassic rock stratum, the same zone that produced oil from tests in the fifth and sixth wells, which flowed at 4,000 and 2,957 barrels of crude oil a day and 20m and 1.26m cubic feet of gas a day.

The rig ran into difficulties on the latest well when it tried to test the shallower primary Upper Jurassic stratum. This was the level which produced highly promising flows from the earlier Toni and Thelma wells of 16,100 and 10,000 barrels of

Hydrocarbons were produced at this level too in the latest well, but the presence of the hydrogen sulphide ruled out more conclusive testing.

Phillips, with a 35 per cent interest in the block, is operator for a group that includes Petrofina, 30 per cent, Agip, 17.88 per cent, Century Power and Light, 8.6 per cent and Oil Exploration (Holdings)

Inmos offered nearly 100 sites for factory

NEARLY 100 local government components for hodies are competing to offer memories and bodies are competing to offer sites for the first UK factory of Inmos, the National Enterprise Boards micro-electronics subsi-

Local councils and regional development organisations are vying to produce a combination of attractive sites, financial in-ducements and political pressure. The prize is 1,000 jobs, which the factory is expected to create when it starts production in two-and-a-half years'

The company expects to be offered a choice of 150 possible sites in about 100 separate sub-missions. Interest and political feeling have been running so high that Inmos has been per cent of the cost of setting obliged to extend the deadline, up the factory. The Tyne and for receipt of submissions. The Year Act, 1976, allows the counclosing date set by its consulants. PA International, was for up to five years, with rate originally February 10, but it and interest relief and subsidies has been extended by "up to for land acquisition.

Inmos was established by the NEB last year to mass-produce electronic micro-circuits for the international market. It is expected to concentrate in its earliest phase on high density administration manager, how- to the UK.

computers. In the longer term the 150 possible sites would the company says it hopes to provide 4,000 jobs in four for closer analysis. He expected factories in the UK. The fundamental a final choice between May and ing of Inmos is expected to June. reach a peak of £50m.

Tyne and Wear County Council and the five metropolitan district councils in the area. The 200-page submission offers eight possible sites which are all said ments of Inmos."

unique financial inducement. which could give limos a subsidy of about £9m, or about 30 cil to offer a factory rent-free

Mr. Michael Campbell, chairman of the council, says the submission makes an "irrefutable case for Inmos to locate its pro-duction units in this county." Mr. Brian Stevens, Inmos's

for computer ever, took a cautious line yes-and on micro-terday on the selection. He said In the longer term the 150 possible sites would says it hopes to have to be reduced to 10 or 20

each a peak of £50m. The great interest shown in The latest submission is from Inmos by local councils is in some ways surprising, because semi-conductor plants are highly automated and provide relatively few jobs for un-skilled labour. The crucial be "tallored to the requirement of Inmos will be for highly skilled scientists.

Tyne and Wear is also offer-technicians, and computer operators.

Such experts are in short supply in both the UK and the U.S. Inmos will therefore need to locate its plant in an area attractive to well qualified graduate scientists. It has already announced that

its UK headquarters and technology centre will be in Bristol. A site near Bristol for its first production unit would, therefore, be convenient. The company's pilot produc-tion will start in Colorado. U.S.,

in about 15 months. Mass production will then be transferred

Groups welcome Belvoir inquiry

£500m mining complex for the late 1980s, have welcomed the announcement of a planning inquiry, and the choice of its chairman, Mr. Michael Mann,

been adopted for the inquiry.

sentation and expert advice, will centre of the planned developwant to add to the list of topics

ENVIRONMENTAL groups in where each issue thrown up one site in the Vale rather than, the Vale of Belvoir, where the by the development is dealt as is presently planned, at a National Coal Board plans a with in sequence — which has variety of sites, including possibly Nottingham and Leicester.

It is likely that the groups. The groups say that the who have retained legal repre-village of Hose, which is in the ment, has adequate facilities for QC. at the pre-inquiry meeting, the inquiry, and that its choice as a site "is only fair to all the would be sympathetic to the "topic by topic" approach— for the inquiry to be held at authorities involved."

P and O ship sales cost 150 jobs

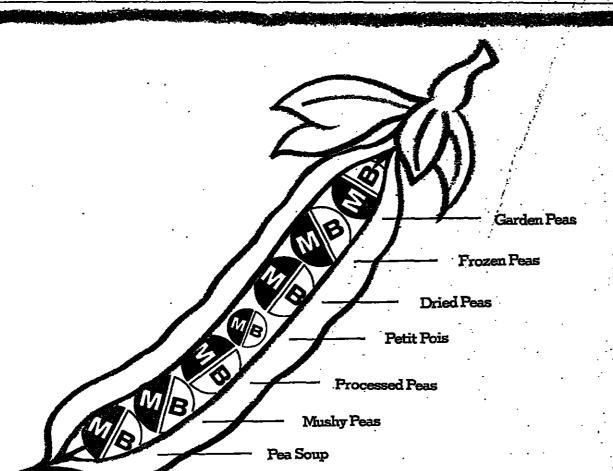
Steam Navigation Company last year as a direct result of the

P and O sold seven of its 20 general cargo ships last year. Total sales, including the sale

A further 90 jobs were lost mic life within P and O. through natural wastage. There may be more sales of un-

OVER 150 officers and shore of the 29,871 gross registered 12,000 deadweight tons, were staff were made redundant by tons cruise ship Arcadia for over 18 years old and had the Peninsular and Oriental scrap, raised at least £25m.

entering service with shipping economic ships this year, but lines are between three and 1978 was regarded as a peak four times as efficient as older Some of the ships, of about general cargo vessels.



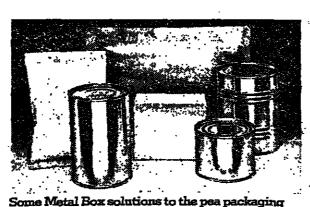
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Second mortgage **business** for UDT

By Michael Lafferty, Banking Correspondent

THE independent finance house. United Dominions Trust, which is still receiving support from the Bank of England's "life-boat" fund, is entering the second mortgage business.

UDT will now lend amounts of up to £10.000 for genuine home improvements, and repayments can be spread over a period of up to ten years. Loan interest will be charged on a monthly basis against the reducing balance on the loan account. The initial rates will be 1.8 per cent per month for secured giving an annual rate of almost 24 per cent-and 2 per cent per month for unsecured

One of the features of th package, which is called the CDT Loan Account is a guarantee that interest rates will not go higher for the first year of any loan. In addition, should a borrower die during the period of the loan. UDT will cancel the outstanding balance under a life assurance scheme.

The move comes shortly after another leading independent finance house, Lloyds and Scottish, entered the second mort-gage business as a result of its purchase of Cedar Holdings.

UDT said yesterday that after reappraising the market it had decided that second mortgages was "a good business in which they should be involved."

New effort to save Kirkby

By Our Industrial Editor

A NEW attempt to save the Manufacturing and Engineering workers' co-operative from closure is to be tried after a meeting yesterday between the co-operative's leaders and Mr. Alan Williams, Minister of State for Industry.

The Government last week rejected a request for up to £6m in loans and grants to maintain the co-operative's central heating radiator and other

The co-operative's leaders are considering submitting a fresh application based on financial nelp from the private sector as well as the Government. The aim would be to preserve the co-operative structure.

'Silver bankers' petition hearing date

EVIDENCE IN the Department of Trade's petition for compul-sory winding up of "silver bankers" Kendal and Dent is expected to be completed in time for a full hearing on February 26, the High Court heard

The petition was first before the court on January 22. Its allegations, including insolvency, are all denied by the company.

Last week, applications by

the company for the discharge of the Official Receiver as provi-sional liquidator and for leave to resume trading, pending the hearing of the petition, were adjourned until next Monday for further evidence.

Steel users want BSC to shut high-cost plants

of the steel industry has been strongly criticised by steel users. Their statement will be delivered to the National Economic Development Council's industrial strategy meetchaired by the Prime Minister.

Minister tomorrow. The British Steel Corpora-tion is finalising further plans for closing unwanted steel plants among its group of high-cost works—Bilston, Con-sett, Corby and Shotton—and may announce proposed cuts in the next few days.

But the steel industry's customers fear that the cuts will be diluted by fierce union opposition to job losses within e corporation.

The Cabinet is not prepared to assume direct responsibility for shedding thousands more steel jobs by having the Department of Industry take control of a new steel closures

Although 17,000 steelmaking jobs have been shed within the past year, the Government has steel-using industries insist upon so far avoided industrial maintaining "second source" trouble by having BSC agree suppliers from the Continent as all closures with the unions at an insurance. plant level.

difficulty in increasing its businesses will be weakened and market share at home and the whole UK economy will

THE GOVERNMENT'S hand abroad if it concentrated pro-ling of the nationalised sector duction at its most modern duction at its most modern plants and closed old works.

Sir Richard Marsh, chairman f the British Iron and Steel Consumers' Council-which includes the motor manufacturers, the civil engineering companies. the can-makers, the forgers, and the process plant manufac-turers—introduces a closelyreasoned argument for rational-

The Government has been told: "BSC's undoubted potential must not be wasted as a result of the maintenance of outdated attitudes and the state of products, BSC's prices are among the highest in the form outdated attitudes and the preservation of old, high-cost facilities, to the long-term damage not only of the steel industry but also of its customers and the cookeny as a upon Ukulon.

Problems

After production problems a few years ago, the BSC has been left with slightly less than 55 per cent of the home steel market. A number of the bigger steel-using industries insist upon

plant level. The stee users accompany Companies representing about their new analysis with a warn-half of Britain's steel-using ing to the Government that industries are now claiming unless the competitiveness of that the BSC would have no British Steel is increased their

suffer. They claim to employ 20 times more workers than the

Their criticisms include: • All EEC countries, except lialy, have cut their steel industry manpower by more than Britain since the anset of the

steel crisis in 1975. Succe crisis in 1975.

Britain is the only EIL country in which labour productivity in the steel industry declined between 1976 and 1978.

British steel industry hourly labour costs and the labour in

· Continuing labour disputes, and the threat of them. discourage steel-using industries from placing greater reliance

upon UK sources. The consistency of quality in some BSC goods—notably strip mill products — is still below that consumers can obtain from

overseas suppliers.

British Steel does not have the facilities to supply the qualities of steel that consumers need in some products such as heavy plate.
The industries represented or

the British Iron and Steel Consumers' Council want the new Government industrial strategy to take into account their argument that the nationalised steel sector's potential must not be wasted as a result of outdated attitudes and the preservation of old, high-cost facilities.

Shops spending more buoyant than expected

FINANCIAL TIMES REPORTER

SPENDING IN shops was even more buoyant in December than estimated provisionally by the Trade Department. Final figures show that trade increased by 3 per cent between November and December, instead of the 28 per cent

netween November and December, instead of the 2.8 per cent rise estimated provisionally. The largest increases were in the clothing and footwear sector, where volume was up almost 10 per cent. The sales of durable goods were ahead by 4 per cent after having dropped steadily since the summer.

Figures from the department yesterday, showed that the final index of volume of retail trade in December stood at 1128 (1977—100)

The December figures appear to have been influenced by the tax-free bonus for pensioners and the back-dated reduction

In the fourth quarter of 1978, the volume of retail sales was 1 per cent higher than in the previous quarter. The average level of kade during the vegr as a whale

51 per cent above the annual average for 1977. Indications that growth is slowing down or levelling efficome in the monthly figures for hire purchase and instalment credit, also released by the department yesterday. Lending by finance houses was lower in December than in recent

months, while lending by retailers is back at October levels.

Finance houses and retailers advanced £449m of new instalment credit in December, after allowing for seasonal factors. Total advances in the fourth quarter of 1978 were about the same as in the third quarter. Lending by finance houses increased by 3 per cent between the two quarters. Lending by retallers decreased by 3 per cent.

HIRE PURCHASE CREDIT AND RETAIL SALES

		(Seasonally	adjusted)		
	New credit	extended by			Volume ised)
	Finance Houses		Total debt outstanding (unadjusted)	Total	Durab good: shop:
	£m	. £m	£m	(1970	=100)
1976 1st	340	493	2,349	105.9	117
2nd	382	490	2,424	106.7	122
3rd	392	. 521	2,516	107.2	125
4th	. 421	547	2,716	106.1	126
1977 ·1st	457	550	2,792	103.3	715
2nd	. 486 .	561	2,930	102.4	118
3rd	544	. 605	3,708	104.2	121
4th	. 585 .	604	3,341	104.7	122
1978 Tst	630	633	3.507	706.4	124
2nd	722	676	3,797	107.9	129
3rd	705	724	4.030	110.7	134
4th	726	699	4,300	717.7	134
August	253	240	3,953	111.7	133
September	· · · 238	240	4,030	3.90	133
October	243	227	4,109	710.2	132
November	263	243	4,238	170.5	132
Documber	220	776	4 700	1120	127

Faience figure of priest brings £11,500 BY ANTONY THORNCROFT



A STRASBOURG faience figure of l'Abbe de Cour (pictured above), made around 1746, brought £11,500 at Christie's yesterday in a sale of Continental pottery and Italian maiolica which totalled £78,996. Seemingly the only known figure of l'Abbe in existence, it was bought by a Continental collec-

At Sotheby's, Mrs. Elizabeth Bligh's own first edition of her husband's account of the Mutiny on the Bounty fetched £1,100 Top price in the book sale was the £16,000 from a Swiss buyer for Lory's Sourcnirs de la Suisse, published in 1829 with 29 hand-coloured prints. A second folio of Shakespeare, of 1632, made £4,500. At Christie's South Kensington silver sold for £13,197.

Standards 'will make playgrounds safer'

THE BRITISH Standards Insti-

tution has published two new-standards for the safety of play-The standards make general recommendations for installa-

tion and give remedies for par-

ticular playground hazards. The BSI yesterday explained the problems: "The most fool-proof design will be a failure if it has no play appeal."
Yet successfull playground favourites, which provide comparatively harmless adventure, may present unacceptable dangers without proper siting, supervisihon and maintenance Parts two and three of the Part one—dealing with per-formance requirements—de-

formance requirements — de-pends upon completion of a research programme and will be published later. Part two establishes broad principles for cutting potential hazards, and deals with materials and components. It also limits the possible free fall

height from any piece of apparatus to 8 ft. This decision has already affected designs by manufacturers wishing to keep in line with the standard.

Swings present such obvious hazards that until now the only foolproof precaution has been total enclosure and supervision of the swinging area.

The BSI said: "Perhaps the commonest causes of falls are

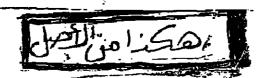
children running into the path of movings swings and falling (or being pushed) from slides. To alleviate this it is recom-mended that swings should be sited on the perimeters of play-grounds and be enclosed by safety barriers. Wherever pos-sible, slides should be of the embankment type."

Manufacturers of playground equipment—following a circular in October from the Environment Department—had already indicated that they wished to co-operate, the institution announced. The Environment Department said that the Government gave aid to many local authorities for playgrounds.

The new standard is not retroactive. But it provides a check list for daily visual

"BS 5696," BSI Sales Department, 101. Pentonville Road London, N1, Part 2-£6.40; Part

JANUARY 1979 KONGSBERG våpenfabrikk Multicurrency TERM LOAN US\$ 12.000.000.-Provided by ANDRESENS BANK INTERNATIONAL S.A. DG BANK INTERNATIONAL Societé Anonyme HANSE BANK S.A. NORDDEUTSCHE LANDESBANK INTERNATIONAL S.A. ANDRESENS BANK A.S.



House starts likely to reach five-year low

BY MICHAEL CASSELL BUILDING CORRESPONDENT

THE NUMBER of private on mortgages and the acquisi- advisory houses started this year is likely tion of suitable land. monthly to be the lowest for five years, according to the House-Builders'

Mr. Donald Moody, president the Government as the first-of the federation, said in Lon-quarter target this year. Lenddon yesterday that matters ing could be expected to remain looked serious and predicted at around £650 a month, leading that the number of private to as many as 20,000 fewer house starts this year would mortgages for new houses than be as much as 15 per cent below last year. the 1978 figure, about 130,000 compared with an estimate of

He pointed out that last year's last year, while leading restric-government review of housing tions were in force and said policy projected an annual rate that even if societies recovered of about 170,000 by the end of later this year that would be this decade.

The federation attributes the building rate.

Mr. Moody said that building societies were unlikely to lend the £700m a month agreed with

He emphasised that builders' confidence about sales prospects had weakened during most of

Home buyers pay bigger deposits for mortgages

HOUSE BUYERS are continuing cent in the third quarter, and to put down a greater propor- 67 per cent a year earlier. as a deposit, according to homes on which new mortgages Government figures released were approved in the last

Environment calculates that in and 26 per cent up on the same the last quarter of 1978, the period of 1977. average mortgage advance-, at

The average price of all were approved in the last quarter of 1978 was about £18,050, a 7 per cent increase Department of the over the previous three months

For new homes, the average £10,920—represented only 60.5 price at the end of 1978 was per cent of the average house £19,550, while for secondhand price, compared with 62 per properties it was £17,770.

Yorkshire, Humberside job prospects 'uncertain'

BY OUR SHEFFIELD CORRESPONDENT

GLOOMY POINTERS to the services, remaining the economic future of Yorkshire Individual problems in the and Humberside emerged yesterday in the annual report of the region range from environeconomic planning

Employment prospects, says is unease at the likely impact of microprocessors; and there is still a shortage of skilled

The report does, however, leaven some of the gloom with "qualified optimism" over . over infrastructure improvement, but the overall fine is so cautious that the council has amounced two special working parties to look at new jobs and technology,

formance, says the report, over the past few years has been little better or no worse" than the national average. But problems, ranging from declining industries, often with excess capacity, to "shorteomings" in housing, health and social

four counties that make up the mental difficulties in West Yorkshire to the need for Government help for South Yorkshire steelmakers facing intense import competition.
The planning council's chair-

man, Mr. Bernard Cotton, also urged an end to the controversy over the Humber Bridge, now due to open in 1980. "The time for pessimism is over," he said His council had asked the Government to set toll charges which would encourage traffic to use the bridge. It had not,

debt to be writen of the planning council remained unchanged, he said. Industrial investment had to be encouraged, the vital communications network of motorways should be completed and the focus on environmental problems continued.

Humber Bridge costs up

£3m to £86.2m at prices ruling at the end of November last year the bridge board was told vesterday. Mr. Alex Clarke, the board's

chairman, said the increase was wholly due to inflation since the last cost estimate a year ago. The estimated completion

date is now March next year, six months later than previously estimated.

Mr. Clarke said the delay was due to the bad weather and low ductivity.

THE COST of the Humber productivity, although this was Bridge has increased by almost now improving. The bridge is now more than two years behind the original schedule when the cost was estimated to be £27m.

The board is also to review its proposed tolls in the light of the increased costs.

Mr. Clarke said that about £1m was still being withheld from British Bridge Builders by Freeman Fox and Partners. the board's consultants, who had not certificated certain work owing to the low level of pro-

British Steel workers paid £25,700 for deafness

TEN WORKERS who claimed they suffered noise-induced

been settled—two of them at the last moment.

The judge said that in each case, judgment would be entered against British Steel and Stewarts and Lloyds, now part of the British Steel-Corporation Both had denied liability,

those · Among damages were: Mr. James Mc-Grath, of Cransley Gardens, £3,000; Mr. Geoffrey liowiett, of Whitworth Avenue,

deafness while working at British Steel's Corby works were awarded £25,700 agreed damages in the London High Court yesterday.

Mr. Peter Weitzman, QC, for the workers, told Mr. Justice Caulfield all their actions had heen settled—two of them at two Davies of Cornwell Road. Ivor Davies, of Cornwall Road, Kettering, £2,000. All eight men are wagon

builders. Mr. James Walker, a blacksmith, of Stavanger Close, Corby, was awarded £2,250, and Mr. Cyril Nash, a blacksmith's striker, of Bracken Close, awarded Kettering won £2,700. James Mc- In their writs, the men had

claimed damages for personal injuries, physical harm and

Lorry strike impact yet to be felt, says CBI

THE FULL effects of the lorry strike on British industry are still to be felt said Sir John Methven, director general of the Confederation of

British Industry yesterday. Speaking in Edinburgh, he said it would be March or April before the impact of the blockade on ports and factories was

felt by many companies.

The country would continue
to be held to ransom by small groups of militants, he said, until the moderates were pre-

pared to speak out. "We have seen a situation a factory and six people can blockade a port."

Because of high wage settle ments in the Ford, tanker drivers' and lorry drivers' disputes, the rate of inflation was

double figures. The main responsibility for this lay with Moss Evans' Trans-port and General Workers'

"I regard as distastrous what they are doing when so many other unions have struggled to get inflation down to 8 per

cent," said Sir John. There needed to be a where three people can blockade determined review." of how far trade unions were within the

Welsh agency takes a £2m stake in gelatin group

BY ROBIN REEVES, WELSH CORRESPONDENT

societies and the Governmentfor failing to establish stable mortgage finance. For much of last year, he said, societies had been forced to lend for non-house purchase activities the world's leading manufacbecause of the ceiling on mort-gage advances. Had the money been held in reserve, he added, assist its expansion, it could have been helping to

clear accumulated demand. Mr. Moody suggested that the advisory committee had not kept down prices and said that its interference in the housing market would create rather than resolve difficulties. He said he would be pressing for federation membership of the

could join discussions which were central to its prospects.

Mr. Moody said he was concerned about the building societies' ability to continue to attract the money required for lending over the next few years. That point must be debated and resolved if house builders were

to have any confidence about

committee so that the industry

longer-term prospects.

But land availability remained the most serious long-term consideration. The Community Land Act, he said, had "failed utterly" to contribute to the supply of housing land.

advisory committee — the monthly forum of the building WELSH Development estate. Agency has taken a £2m stake factory in P. Leiner and Sons, of Tre- more than 500 people. forest, mid Glamorgan, one of turers of gelatin, to help to finance the company's capital spending programme and to

> The £2m, the agency's biggest single investment so far. is in the form of a flm, or 22 per cent, ordinary share holding in the company and a film in re-deemable cumulative preference

Announcing the investment, Mr. Ian Gray, the agency's managing director, said: "The Leiner group has embarked on a major programme of capital expenditure to maintain its com-petitiveness in its highly specialised field and to consolidate its position among the world's top three gelatin manufac-

Leiner moved to Wales in 1937 as one of the first tenants on the Treforest industrial

It occupies a 24-acre complex, employing

Leiner gelatins are widely food and photographic industries and the company exports its products to more than 50 The development investment is in Leiner's gelatin manufacturing activities in which the group has invested £5m over the past five years. It also produces at Treforest soft-shell gelatin cap sules for the pharmaceutical, health food and cosmetics industries. Leiner's engineering company makes encapsulating machinery, which is sold throughout the world. The agency is at an advanced stage of discussion with the group to provide new modern facilities

The funding arrangement with Leiner enlarges to £13m the agency's investments in manufacturing companies and business enterprises in Wales. It has invested in 150 businesses. Previously its largest single investment was £1m in John Williams of Cardiff Ltd.,

for producing soft-shell cap-

Assembly will 'bring new unity'

AN ELECTED Welsh assembly will improve the government of Wales and strengthen the unity of the UK, according to Mr. lystan Morgan, chairman of the for the Assembly Campaign.

In a study paper entitled "The Welsh Assembly — Towards a New Unity," Mr. Morgan argues that the burden carried by the Commons is

almost intolerable.
Public spending plans worth millions of pounds are pushed through the House of Commons without scrutiny. Many legislative reforms for which there is unanimous support are blocked for lack of time. Only one EEC proposal in seven is examined by Parliament's committees.

Moreover, the Government of Wales suffers because of lack of time. Mr. Morgan claims. During the 1977-78 Parliamer tary session, Welsh MPs had only eight chances to question three hours 20 minutes of parliamentary time.

'The transfer of responsibilities from Westminster, and the Welsh Office, to the assembly will help reduce the congestion at Westminster and release Welsh MPs to play a fuller part in Parliament, protecting Welsh interests and contributing to the better government of Britain,"

Eastern equity funds do best

Japan and the Far East fared best among the pooled pension latest survey published by Harris Graham and Partners,

pension consultants. The top spot went to the Anglo-Nippon fund, managed by the Foreign and Colonial Group with a rise of 94 per cent, with the Japan Exempt Fund, man-Managers, second, with an increase of 65 per cent. In contrast U.S. funds performed

> American, managed by Drayton Montagu, showing a loss of 6.5 Equity

EQUITY FUNDS invested in general, did better last year than the FT-Actuaries All Share Index. The average rise amounfunds in 1978, according to the ted to 10.4 per cent against 8.5 per cent for the index. In all, 37 funds out of 55 did better than the index.

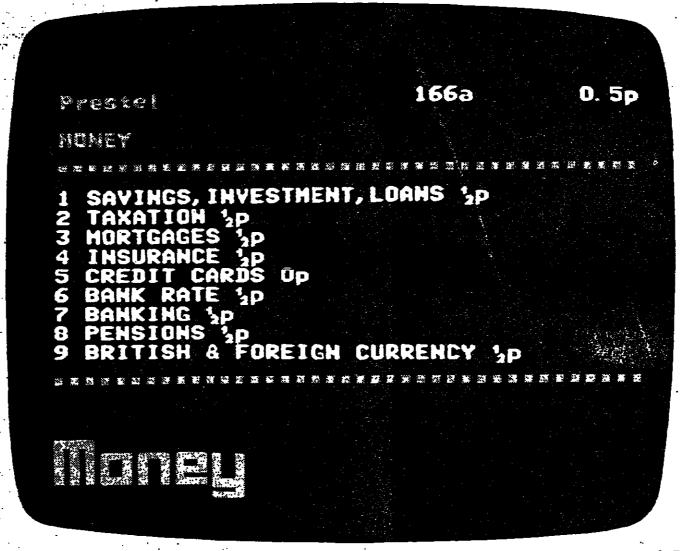
> The most consistent in 1978 were the property funds, where the average growth was 20 per cent.

In contrast, fixed interest aged by Edinburgh Fund funds gave a very dull performdecline of 0.6 per cent.

But pension fund investment poorly, with London North performance depends very much on reaching the optimum split between the three investment media - equities, property and

÷ 9.9 +15%	Lloyds Bank Exempt Retail Price Index	– 1.5 ÷ 8.4%
	Bottom—	
+20.1	Average	5.3
+37.3	TopConfed, Life Mixed	÷11.7
	Missad Eunds	
+ 8.5	FT-All Stocks Gilts	— 0.7
	London Fixed Interest	10.5
— 6.5	Bottom—	
+10.4	Average	- 0.6
	Top-Confer, Life Fixed	÷ 3.7
6 change		& change
	Fixed-interest Fund	5
FUND P	ERFORMANCE 1978	
	+93.7 +10.4 - 6.5 + 8.5 +37.3 +20.1 ÷ 9.9	/ Change Top—Confer. Life Fixed 7 + 93.7 + 10.4 Average - 6.5 Bottom— London Fixed Interest FT-All Stocks Gilts Mixed Funds + 37.3 Top—Confed, Life Mixed Average Bottom— Lloyds Bank Exempt

If you own a television set, you probably won't be able to read this.



It's a page from the new telephone-linked home information service, Prestel.

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If you rent a TV set from Radio Rentals, you can change models when you wish to cope with the accelerating pace of technology. Already Radio Rentals have installed the

first Prestel sets in customers' homes

And even at this early stage, there are thousands of pages of information available to Prestel subscribers.

It's a sign of the way television is moving from being a simple means of entertainment to a much more complex domestic information medium.

Ceefax and Oracle, for instance, the BBC and ITV information banks, are now plugged in to a great many Radio Rentals homes.

We already renthome video recorders, which, together with

Ceefax and Oracle, are ready and waiting for any of our customers who want to make use of them.

So if you are thinking of investing your own hard-earned cash in a new television set, pause a moment.

Because you could well find that next year, your brand-new set seems a lot more than 12 months old.



We have a view to the future.

Road freight subsidiary's £2.6m. profit

NATIONAL CARRIERS, the road freight subsidiary of the National Freight Corporation, made a trading profit of £2.6m last year, which gave the com-pany its first net profit, £30,000, since it was formed 10 years

The company lost £20m in division of British Rail. It made its first trading profit, £212,000 in 1977 before a net loss of £5.7m and the improvement had

Two factors had contributed to the marked improvement in the company's fortunes, Mr. Brian Hayward, managing director of National Carriers, said in London yesterday. The 1978 Transport Act had relieved it of some of the charges it had acquired from its association

of the increased revenue had come from National Carriers' increasingly profitable specialised transport services, including the Fashionflow company, although it had halved, to 100, which contributed a £750,000 the number of regional depots trading profit carrying clothes operating general distribution for Marks and Spencer.

A large part of the earlier losses was attributed to historical debt, overvaluation of assets since the company's formation, and other costs arising from its origins as part of British Rail.

Last year's Transport Act enabled the Transport Departthe first year of trading after it ment to write down the asset was formed from the sundries value of the parent National Freight Corporation by £53.1m. This included all the capital debt attributable to Freightliners and all but £5m attributable to National Carriers.

The company's Chinaflow specialised china transport company made a small profit for the first time, but Homeward, a company set up to handle mailorder house deliverles, had a difficult year, operating with costs "a lot bigher than we expected." Mr. Haward said.

turnover, again failed to make a profit. The company, he added, had no intention of getting out of parcel distribution,

Volkswagen moves into rental market

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

(GB), Lonrho subsidiary which imareas at rates which will be ports VW and Audi cars to the highly competitive with the UK, has started a scheme major car rental organisations." which will enable its dealers to operate in the car rental

Initially, about 60 dealers in major towns are expected to operate the scheme, called Autorent. By the end of this year, about 100 should be in-

Finance for the operation for those dealers who need it will be supplied by Auto Union Finance which is 49 per cent owned by Volkswagen (GB) and 51 per cent by the Lloyds and Scottish banking group.

Negotiations are going on to provide "very comprehensive" will allow them to "operate a Agents.

the car rental business in their own

● In 1978 VW-Audi experienced the fastest growth of any big manufacturer or importer in Britain, with sales up 41 per cent from 50,889 in 1977 to 71,688. It forecasts a further 15.8 per cent rise in a static total market this year and sales

Grants bring £23m business

BRITISH INDUSTRY received more than £23m in December from orders arising from aid grants and loans to developing insurance cover for the dealers countries made by the Ministry and, because they would have of Overseas Development and few extra overheads, Autorent administered by the Crown



Another woman for the London Stock Exchange Conservative Party leader, visiting the exchange's trading floor vesterday after lunching with Mr. Nicholas Goodlson, chairman of the exchange.

Clydesdale leaflet sparks row

Scottish Correspondent

CLYDESDALE BANK. Scottish subsidiary of the Midland, denied yesterday that it had taken sides in the devolu-tion referendum by sending an anti-assembly leaflet to its

About 450 copies of the leaflet, produced by Scotland Says No, the main anti-devolution umbrella group, have been sent to branch and departmental managers with a covering memorandum saying that it is for information only and that the bank is not making any recommendation on the political arguments.

Mr. Ian Hoy, secretary of the Yes For Scotland campaign, said: "I am not convinced by the Clydesdale's argument, I think it was just a way of getting the No publicity across But I intend to write to the chairman of the bank asking him how many Yes leaflets he requires.

The bank said: "We send out various items which we think are important to our managers, for their information. We were approached and asked if we would send out copies of this leaflet and we thought it was important for them to see the

"We would have sent out of Egyptian potatoes will arrive leaflets from the Yes organisa- every two or three days during tion had they been available. the season.

Guidelines revised on Arab boycott BY MAURICE SAMUELSON

reflecting disapproval of the Israel, as some British com-panies appear to believe.

As well as disapproving of boycotts lacking "international authority," the Department is expected to criticise the process by which companies submit to the boycott. This involves filling in questionnaires for the Central Boycott Office in Damascus and signing contracts with special boycott clauses. The Depart

Department aiready issues a notice aimed at removing "unnecessary anxieties" of UK companies and offering con-fidential advice. The stronger wording, promised in last week's Lords debate on the boycott. aims to meet the proposals of the select committee report on the Foreign Boycotts Bill. These

Potato terminal

A NEW terminal wil be set up

in Liverpool's Canada Dock

following an agrement in Ham-

burg under which 15.000 tonnes

for Liverpool

THE TRADE Department will were intended as an alternative shortly publish revised guide to legislation which the com-lines on Middle East trade mittee decided was impractical. The British Bank of the Arab boycott. The document Middle East confirmed yester-will also explain that the boycott day that it circulates a list of does not rule out all trade with about 70 insurance companies is that the clearers may seek on the Arab blacklist, including Pearl and Phoenix assurance companies.

The list, supplied by the bank's Abu Dhabi branch, is sent to exporters wishing to insure goods bound for the country. Its existence became known when the U.S. parent company of a Reading electronics concern reported a boy-cott request to the U.S. Commerce Department.

Reporting of boycott applications became compulsory under the Export Administration Act's 1977 amendment. About 40,000 such requests a year are being reported, and are closely monitored by the American Jewish

bankers seek tax relief

LONDON'S leading merchant banks want the Government to introduce a tax relief scheme for financial institutions similar to the stock relief scheme for industrial companies.

The merchant banks' request the merchant banks request has come in a submission from the Accepting Houses Committee to the Treasury and the Inland Revenue. Their case is that inflation erodes their capital base and imposes strains on their ability to keep up with demands for higher lending.

The accepting houses have The accepting houses have been working on the submission

for the past 18 months. Similar requests for tax relief have been made in recent years by the clearing banks. But where the clearers have been able to resort to rights issues to maintain capital adequacy, this has not generally been possible for the merchant banks because of their depressed share

A clearing bank representa-tive said yesterday discussions were still taking place with the

Inland Revenue. But the banking community is not optimistic about obtaining a major tax concession now when clearing bank profits appear to be rising substanti-ally. One possibility, however, to strike a bargain with the Government by offering, for example, to set up a guarantee fund for small businesses in return for tax relief on capital erosion.

Directors' convention

THE INSTITUTE of Directors' annual convention will be held at the Royal Albert Hall, London, on Tuesday, March 20. Speakers will include Mr. John Diebold, Sir James Goldsmith, General Alexander Haig,

Sir Frank McFadzean, Sir Bernard Miles and Mr. Norman

Service slipping says **Post Office chief**

A DECLINE in the quality of • Of inland calls dialled by an the Post Office service has been operator, 82.7 per cent were highlighted by its chairman Sir answered within 15 seconds in William Barlow.

In the current issue of the says that "Our standard of tions and posts, has slipped a against 4.2 per cent last year.

Recent figures indicate that the service has deteriorated because of staff shortages especially of postmen-and to the effects of the Post Office Engineering Union's industrial action, which ended last August.

During the first quarter of the current financial year (July-September, 1978), the percentage of local calls successful on one dialling was 63.3 per cent, against an average 64.1 during

• The rate of failure for STD calls was 3.8 per cent due to the Post Office in the first quarter of this year against 3.3 per cent

the first quarter, against 84.3 per cent last year.

Courier, the Post Office's ● There was a 54 per cent monthly newspaper, Sir William failure rate for international direct dialled calls due to the service, both on telecommunica- Post Office in the first quarter little and as a result many of Only 32 per cent of inter-our customers have been disappointed." Only 32 per cent of inter-national calls through an operator were answered within 15 seconds in the first quarter

against 58 per cent last year Figures for October 1978 show that 91 per cent of first-class letters were delivered on the next working day, compared with a target of 93 per cent, while 90 per cent of second-class letters were delivered within three days, against a target of 96 per cent.

These figures are understood not to have improved significantly, except where—as in overseas calls—the deterioration was largely due to the effects of union action. Staff shortages have been a critical problem in some areas, including London. for the past year.

U.S. funds among top 20 unit trust performers

FINANCIAL TIMES REPORTER

AMERICAN FUNDS predomin-Planned Savings magazine.

top 10 performers in January and nine places in the top 20. The best performing American fund was Schlesinger U.S.
Small Companies coming Small Companies, coming tinue to do well and three of second in the entire table them, led by M and G Far with a gain of 13 per cent in

Britannia Minerals, benefiting ate among the early leaders in from a boom in metal prices, this year's unit trust perform took first place and Britannia's tables, according to Gold and General fund was

They took four places in the funds reflects a big revival of confidence on Wall Street last month.

Eastern funds, lasi year's best performers, con-tinue to do well and three of Eastern, were in January's too

Merchant Attempt to avert Civil Service walk-out today

Lord Peart, the Lord Privy Seal, this morning in an attempt to assistants and 23-3; stave off a national strike and for clerical officers. other industial action over pay by their 285,000 members.

The Civil and Public Services Association and the Society of Civil and Public Servants, the two biggest unions yesterday formally announced that their members would be called out on a national one-day strike on February 23 if the Government did not agree to implement the findings of an independent com-parability study in full. All overtime will be banned

and groups of members in key installations, including defence. VAT, customs and computer establishments, will take scleetive strike action from the start of the late shift on February 25. with non-shift workers being selectively called out the day

after. While the Civil Service Department has threatened that employees who take part in action will have their pay and sick leave entitlement cut and their holiday requests refused. the unions maintain the warning has simply hardened their

resolve. The latest union evaluations of the reports from the Pay Research Unit increase their estimations of the sort of rises the comparability studies maintained would keep civil servants in line with similar jobs in in-

The current figures have moved from the 15-20 per cent

23-26 per cent assistants and 25-33

The society had estimated its members would need rises of 25-30 per cent but the estimate now, based like the CPSA's new findings, on new information on private sector fringe benefit increases, particularly meal allowances, seeks rises of between 26-36 per cent for execu-

tive officers.
The rises sought would increase clerical assistants pay from £44,12.550.15 to £54.63. ciercal officers' pay from £49.79-£62.84 to £65-£79, and executive officers' pay from \$59.64-287.72 to £86-£111.

Mr. Gerry Gilman, the society's i general secretary, said the study showed the wage explosion had already happened, in secret, in the private sector.

Mr. Ken Thomas, CPSA general secretary, said if the Government did not want to throw away the coming election it would have to come to terms with the public sector.

If the Government offered 5 per cent "the balloon would go up." Both union leaders said it was unlikely that their members would allow them to consider a staged deal, which some Ministers and Department officials see as an escape from the embarrassing contradiction be tween the unit's findings and

the 5 per cent limit,
Mr. Thomas said his union had a fighting fund of £1.2m to back its campaign of industrial moved from the 15-20 per cent action, which, with selective originally thought necessary for strikes, would enable them to CPSA members, mainly in the wage a long battle.

Scottish miners set for action campaign

BY RAY PERMAN, SCOTTISH CORRESPONDENT

ON THE EVE of the re-opening state of negotiations and preof pay talks with the National Coal Board, union leaders in might be called by the national Scotland yesterday called for a national campaign to prepare miners for any necessary industrial action.

The executive of the tradition-but it would be for the members ally militant Scottish area of the to decide in a ballot. National Union of Mineworkers unanimously rejected the Board's 31 per cent offer and demanded that the full 40 per cent claim should be met.

to £110 a week and surface ference, to unite all areas of miners to £86. the union behind the pay claim.

Mick McGahey, Mr. Scottish leader and vice-president of the union, said that the NUM would not be frightened by threats of cuts in investment or pit closures in uneconomic

by the arguments that action in support of the claim would

The Scottish area would

Nor would it be intimidated

begin a pithead campaign next through with their wage claim reek to inform miners of the also,

executive. This could take the form of an overtime ban, selective strikes or an all-out stoppage.

pare them for any action which

At the national executive meeting in London on Thursday, the Scottish area would propose a similar campaign in all coalfields in Britain, starting This would take face workers with the national delegate con-

the union behind the pay claim. Mr. McGahey said: "In the initial stages of negotiations. members were shocked and thought the coal board was playing a joke. There is real anger now, and strong resent-ment. After all, £110 basic gross wage for a face worker is not

extortionate.
"I am pleased that the lorry hasten the return of a Tory drivers broke through and that government.

Fords broke through. I am hoping the

Former MP challenges bar from union post

Court in London yesterday challenged the right of the Union of Shop, Distributive and Allied Workers (USDAW) to deny him tion. union office.
Mr. Milne, aged 63, a former
USDAW area organiser, clashed

with his union after he stood as an Independent Labour candidate in the 1974 parliamen-tary elections at Blyth, Northumberland.

He claims salary arrears or damages for loss of office and

that since February, 10, 1974, when Blyth Constituency Labour Party decided not to readopt him, he has been entitled to a post in USDAW not less favour-able than area organiser.

Mr. John Macdonald, QC, for Mr. Milne, told Mr. Justice Foster that USDAW maintained that the former MP repudiated a union sponsoring scheme by standing against the official Labour candidates for Blyth, Mr. Ivor Richard and Mr. John Ryman, in the elections of

MR. EDWARD MILNE, the February and October, 1974, former Labour MP, in the High But a sponsored MP who lost office was entitled to a union post not less favourable than that which he held before elec-

> "We say there is no express provision which would prevent Mr. Milne standing as an independent candidate in the scheme," counsel submitted. Mr. Milne's disagreement with the constituency party sprang from his concern over corrup-

tion in public life and dif-ferences with his agent, Mr. Macdonald said. His repeated calls for an inquiry into Labour's affairs in the North of England were regarded by many party members as "rocking the

Mr. Stuart Shields, QC, for USDAW, said: "I take my stand on the position that he stood as an Independent Labour candidate as opposed to an official candidate, and that is the basis for defending this action.

The case continues today.

Public service strikes to be stepped up

BY OUR LABOUR STAFF

THE National Union of Public Employees said yesterday that strikes at schools, hospitals and in local authority services were being intensified with new

More than 200 schools in Sheffield are now involved in strike action on varying days Ulster's 500 ambulancemen yesterday joined the work to rule and overtime ban by 12,000 hospital ancillary workers in the

The overtime ban is expected to be aggravated by selective stoppages in a number of Ulster

Army ambulance crews stood ny in London again yesterday after an overtime ban by am-

The action by 2.200 am-bulancemen in banning all over. NUPE sai but an erem in oanning an over-time from 7 am had an imme-diate effect. By 9 am the nor-mal number of ambulances available had been cut by one

third.

In Wales, industrial action by health service workers con-tinued to cause chaos. West Glamorgan was badly hit with 1,500 NUPE ancillary workers on strike in support of the county's ambulancemen who had been sent home for refusing to work normally.

The men dealt with emergency calls only. Essex ambulancemen belonging to NUPE and other unions stepped up their industrial that pay negotiations action by covering only emer-

NUPE said its action would be in accordance with the code which followed discussions with Mr. David Ennals, the Health Secretary. The threatened strike at 16 West London hospitals, how-ever, was called off after the

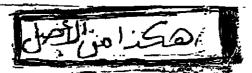
personal intervention of Mr.
Ennals, although strikes in
other London hospitals are set
to go ahead.
The Department of Health said last night that the overall position in the health service

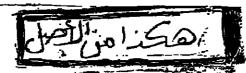
had not deteriorated. The grave diggers' strike in Liverpool is over and the men are to return to work today so csu continue.

But the men said the strike would resume for indefinite period if substantial pay offer is not made within four weeks. Scottish leaders of the four public service unions yesterday warned that industrial action would start unless they got a "substantially improved" pay offer this week.

They issued the warning after a meeting with Mr. Bruce Millan, the Scottish Secretary, in London. Mr. Donald Mr. Donald graceregor, Scottish organiser of the General and Municipal Workers' Union, said: "The unions have been restrained in their action

to date, but we have found if extremely difficult to restrain





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First vaccine damage payments on the way

THE GOVERNMENT is soon that whooping cough vaccine in the war against disease, a to make its first payments—to had ever caused brain damage battle fought on behalf of the 50 people—under its scheme —the area which has caused for vaccine-damaged people, Mr. most controversy. David Ennals, Health Secretary. announced in the Commons

He was moving the second tribunal would be available. reading of the Vaccine Damage
Payments Bill which gives legal to try to alleviate the cruel backing to the payments plan announced last May.

A payment of £10,000 will go to any person who had suffered severe damage as result of vaccination or through contact with a person vaccinated in routine NHS programmes.

The Bill, which also sets up a tribunal to consider borderline cases, applies to the whole of the United Kingdom and the Isle of Man.'

Mr. Ennals said the Bill differed slightly from the arrangements outlined last August. Payment would now "I believe it makes parents, also be made to any person in the middle of their tragedy. who had suffered damage as a ware of the fact that society result of vaccination of the mother before birth, vaccination against polio and German measles or any vaccination Dr. Vaughan, who helped to set up a medical panel to given during an outbreak of the disease in question.

But he stressed that the Government stood by immuni-sation programmes, which provided massive overall benefits which "far outweigh the associated risks."

The Bill was not a compensation scheme and the £10,000 payment did not bar any subjudice any rights, though it would be taken into account in assessing the amount of any had been devastated.

BY ELINOR GOODMAN, LOBBY STAFF

A TORY rightwinger yesterday

called on the leadership to " get off the fence" on Rhodesia and

up within the party, which some

members of the shadow Cabinet

fear may boil over into an

in November to be free to vote

urged vesterday that there

partnership in Salisbury."

before an election.

Mr. John Bigg

It was difficult to identify the vaccine damage and in these cases an independent expert

paradox that, because the very great majority benefit. a minority, albeit a very small minority, has suffered," he said. Dr. Gerry Vaughan, Opposi-tion spokesman, backing the Bill; said he hoped the panic stage, in which many parents refused to have their children

vaccinated at all, was now over.
One problem of the immunisation issue was the enormous guilt felt by the parents of damaged children. He con-sidered that £10.000 was a good start. It showed the Government recognised the problem.

set up a medical panel to examine thalidomide children, referred to the unnecessary suffering caused by delay in the

procedure.
He congratulated the Government for recognising this, and for having in the Bill set up a procedure giving benefit of the doubt to vaccine damaged child-

A leading campaigner for the sequent civil proceedings for disabled, Mr. Jack Ashley (Lab compensation and did not prejudice any rights, though it Bill and said it would ease the burden on families whose lives

Tory 'mugwumpery' on

not become a great party. The

cautious referendum vote from

Foreign Secretary, last week.

not commit a Conservative gov-

As Tory hopes of winning the

British election increase, so

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Rhodesia condemned

off the fence "on Rhodesia and support the internal settlement.

The call was symptomatic of the kind of pressures building the kind of pressures building white referendum."

embarrassingly public argument Mr. Francis Pym, shadow

resigned from the front bench ernment for failing to do enough in November to be free to vote against renewal of sanctions, elections" in Rhodesia but did

should be no further "condona- erniment to lifting sanctions

tion" of sanctions against what after an election had been held.

As Tory hopes of winning the

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slim sleek case lines. You see it too, in the dependable accuracy

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Zenith Port Royal. A lot

more than just the time of day.

SWITCHGEAR...

whole community. Mr. Ennals had initiated an important step forward in social policy at a time of very great economic difficulty, and in the face of very strong opposition

fession. But Mr. Ashiey said the £10,000 payment was clearly inadequate and could be regarded only as a stop-gap until an adequate scheme was prepared.

from parts of the medical pro-

It should be based on the war or industrial injuries scheme, with the great advan-tage that it would be inflationproofed and adjusted to any changes of the effect of damage in individuals.

Mr. Ashley also hoped the Government would reconsider its decision not to pay families whose children had died.

For the Tories, Mr. Patrick Jenkin shadow health secretary, said Mr. Emals had been meticulously careful not to state that these damages were an interim payment. No solution had been pro-vided to the problem of those families with damaged children

who did not qualify for the £10.000 payment. He was concerned about the difficulties facing parents who wanted to sue on behalf of their

vaccine-damaged children. "Unless the law is changed to provide stricter liability, it must be exceedingly doubtful whether parents can establish negligence in order to claim for damages," he said.

He also questioned whother families who had received the damages.

Vaccine-damaged children

Some experts, he said, argued that there was no firm evidence contact the said and that there was no firm evidence contact the said argued that there was no firm evidence contact the said argued contact the sai

benchers not to be committed

to a position which a Conserva-

tive Government could not stick

internal settlement, pressure to

recognise the new Government

could create an embarrassing

needed closed ranks for an

The official position remains

that sanctions on Rhodes!a

cannot be lifted until free and

fair elections have taken place.

What is not clear is what exactly would constitute "free

THE Zambian Government is

using recent international

Monetary Fund credits to clear

debts to British firms and indi-viduals, Mrs. Judith Hart.

Minister of Overseas Develop-

ment, told the Commons yester-

pressure on the Zambian Government to speed up the

payment of compensation to

Mr. Richard Luce, (C Shore-

ham), said many people were suffering financial hardship

Mrs. Hart told him that the Government could not use over-

seas aid which Britain sent to

Zambia to meet these claims. But British aid to Zambia would

make it easier for that country

to release foreign exchange for

remittances to British subjects.

has assured us that part of the

foreign exchange made avail-

able by the advance payment for

copper purchases will be used for this purpose and I under-stand that the greater part of

the recent IMF credits has been

used to clear remittance arrears

to British firms and individuals.

the money owed to UK nationals

from British aid loans to

Zambia because the money has

been voted by Parliament to

assist Zambia's economic and

social develonment

"It is not possible to -duct

"The Zambian Government

British firms and individuals.

She was urged by MPs to put

Zambian

promise

debts

Mugwumpery," he said, did does the concern of some front-

The tone of his statement was than half the Rhodesian elec-

election.

in marked contrast to the more torate voted in favour of the

Joseph demands industrial reform

BY ELINOR GOODMAN

SIR KEITH JOSEPH, the Opposition spokesman on Industry, and one of the Conservative leader's closest advisers, claimed yesterday that reduced union power was a prerequisite for national

What was needed was a unblic debate on the subject of trade union reform. The onus, he emphasised, would be on union leaders to defend the way in which they used their power.

In a speech which emphasised how far Conser-vative thinking has moved over the last few months. Sir Keith anticipated Labour charges of "union bashing" and said he was not attacking union members for the way in which they had been misled and mis-informed by very people who claimed to represent their

interests. Sir Keith, who peppered his speech with references to Shadow Cabinet colleagues generally regarded as being more moderate than him, also took up what is likely to become a familiar line from the Conservatives in the run up to an election, when he attacked the institutionalised links between the TUC and the Labour Party.
In the same way, he gave

a preview of the Conserva-tives' likely response to Labour allegations that the country's industrial problems. are the result of being forced to rely on the traditional Tory remedy of monetarism. Monetarism in isolation, he argued, would not be enough to tackle the nation's policies. It had to be put in the wider context of fiscal and legislative reform.

Recovery required that the unions operated responsibly within a fair and balanced framework of law and that everybody worked within a sensible economic framework.

Since the Government has been converted to what was once Sir Keith's favourite cause of monetarism, the Conservatives have been putting increasing embpasis on the need to accompany monetary discipline with a reduced resources going to the public sector.

The public, he said, had been misled by Mr. Cailaghan and Mr. Healey, who had denounced monetarism while practising it. He claimed that Ministers refused to face the central problem—the ability of unions to force the rest of society to pay for the inflation the unions were making harder to eliminate. He said the unions had been uniquely privileged for some time, but Labour's more recent legislation-all at the request of the TUC-seemed designed to ensure that a streng union could almost always win any

economic case. Sir Keith's speech was seen by Tory MPs yesterday as further evidence that the Shadow Cabinet no longer regards the policies spelt aut The Right Approach to the Economy" as adequate to deal with the present situa-There was some coucern, however, that the apparent decision to make union reform a central plank of the party's election platform, might backfire on the Conservatives by raising public expectations too high and locking the party into a situation where it would come to power already at loggerheads with the unions.

dispute, regardless of its

Prior takes tougher line on unions

By Paul Taylor

THE LAW on picketing, trade union closed shops and the provision of supplementary benefits to strikers will have to be examined if the imbalance of trade union power is to be corrected. Mr. James Prior, shadow employment spokesman said yesterday.

At a London meeting of the Working Together group, Mr. Prior mapped out the middle ground between some trade union leaders and industrialists on measures needed to improve Britain's industrial relations record.

He did not wish to see a return to the rigid format of the Labour Party's In Place of Strife or to his own party's Industrial Relations Act.

"Satutory nav nolicies will not work in Britain." he said. There would have to be changes in the law on picketing coupled with the law on associated action, such secondary picketing.

Mr. Prior said the law on "unfair dismissal" would have to be examined where someone refused to join a union closed shop and that anneals against union expulsion from a closed shop should be dealt with by the

Macmillan looks for consensus

port to the appeals for a Government of national unity.

Britain's future depends on achieving a general consensus, he says in a recorded interview for BC Television.

"I'm quite certain that there of employers and trade unions. or the churches, all the people who influence opinion who would say—"it's enough, we must make a new start."

"It's a moral issue, we must have the determination and we must rebuild our courage."
Mr. Macmillan, who will be 85
this week. says: "I'm sure

people would welcome a real lead and say let's get together and make this marvellous world for ourselves." Eloquently stylish as ever, he

sensus of nobody pressing any position too hard. . . ."
Mr. Macmillan says he can

all playing about with the idea

MR. HAROLD - Macmillan, of reducing the amount of former Conservative Prime money in the hands of the Minister, tonight lends his sup- people, either for new enterprise or for new businesses or for spending."

He adds: "Now, I can't feel

in my heart that that's right." It had a depressing effect on energy, enterprise and produc-

Turning to Europe. Mr. are forces now which if we Macmillan calls for a revival of could only get them to unite, the "great emotion" which has whether in a government of unity of the great organisations arguments about fish and milk. arguments about fish and milk. A united Europe could still equal the super-powers in influence, foreign economic policy and defence.

But its future is very un-certain. "Nobody is really facing this. . . Somebody must arise, somebody who like Churchill is not just an echo but a voice.

Mr. Macmillan says he is also alarmed by the West's failure to "hold up our guard" against the Communist world. Britain had abandoned vital

recalls the "you've never had military positions; the United it so good "days.

"Now something5s gone. "I tell you quite frankly. I'm What's gone was that you could alarmed about the SALT disonly run that on a general concussions which look like abandoning or endangering the safety of Europe for the con-

see little real difference be- and Russia."
tween the parties: they are He adds: "Peace is not kept, tween the parties: they are exaggerating their different alas, by committees or phrases, approaches to the problems.

He adds: "Peace is not kept, alas, by committees or phrases.

I think this can be kept, this Whether by incomes policy peace, if each side keeps up its or monetary policy, they are guard and makes no con-

venience of the United States



NFU man chosen for Europe

By Our Lobby Staff

SIR HENRY PLUMB, who is stepping down as President of the National Farmers' Union to start a new career in politics, looks certain of a seat in the European Parliament. He was selected at the weekend as Con-servative candidate for what looks like being the Tory stronghold of the Cotswolds European constituency.

Sir Henry, who failed to be selected for two other European seats, was one of another batch of candidates to emerge from the lengthy Conservative selection procedure at the weekend.

Other candidates included Sir David Nicolson, former chairman of British Airways and now chairman of Rothmans Inter-



Sir Henry Plamb

national. He was selected for London Central which also looks like being a solid Conservative

So far, 22 candidates have been selected. Most of the glittering names known to be in search of European seats, have been placed, and most of those still searching are either former Conservative MPs or less well known b**usine**ssmen.

One of the luminaries still looking for a safe seat is Mr. Paul Channon, MP for Southend West, who Mrs. Thatcher wants as leader of the Conservative delegation in Europe.

'Useful' discussions on nuclear power

BY IVOR OWEN

USEFUL discussions have taken place with Sir Arnold Weinstock, the managing director of GEC, about the reorganisation of Britain's nuclear power industry, Mr. Anthony Wedgwood Benn, the Energy Secretary, told the Commons yester-

But, despite pressure from Conservative and Labour MPs, who underlined the harmful effect of continuing doubts over the future structure of the industry, he was unable to give any indication when definitive proposals are likely to emerge. Mr. Benn answered Opposi-

tion criticism by stressing that even Conservative MPs now accepted that the organisation established by the Heatn Government, based on interlocking private shareholdings.

alternative arrangements by agreements and this was taking Bill.

officials employed at the Riseley agreement that a majority six- power stations. holding for the public sector guarding the National Nuclear Cornoration.

Mr. Tom King, the Conserva- another.

tive shadow Energy Minister, suggested that the Minister was experiencing difficulties in the negotiations with the nationalised corporation involved quite apart from the private sector companies.

After referring to discussions with the Central Electricity Generating Board and Atomic Energy Authority, Mr. Benn said: "I am trying to is the proper way to proceed." He gave no support to a complaint by Mr. Arthur Palmer (Lab Bristol NE) that Sir Arnold was using GEC's posi-

the industry. introduction of legislation to reorganise the electricity supply But without legislative power industry had reached a stage he was having to proceed to when it might be possible to secure a second reading for a

He also expressed "grave Mr. Benn reported that top doubts" about continuing with the policy decision taken in the and Whetstone plants were in early 1960s in favour of "mas-

Recent events had shown

would be the best way of safe- how vulnerable such stations were, but it took time to move from one policy approach to

support for the idea. Tory advice spurned

BY OUR PARLIAMENTARY CORRESPONDENT

negotiations between National Coal Board and the National Union of Mineworkers on the miners' pay claim, Mr. Authony Wedgwood Benn, the Energy Secretary, brushed aside Tory allegations that he is encouraging a settlement in excess of the Government's pay guidelines.

Mr. Tom King, shadow energy minister. yesterday joined Tory backbenchers in accusing Mr. Benn of failing to support the view of Sir Derek Ezra, the NCB chairman, that moderation in this year's settlement is essential if long-term investment plans for the industry are to be sustained.

Government supporters cheered Mr. Benn when he told Tory MPs that, after the evenis of 1974, he was not prepared undermine the NCB chairman

ON THE EVE of the resumed to accept lectures from them on how to handle relations with the coal mining industry. "I am not prepared to negotiate with the NUM. That is a lask which Parliament has

> NCB," he said. Mr. Nigel Forman Carshalton) claimed that at one meeting Mr. Benn had pressed Mr. Joel Barnet, Chief Secretary to the Treasury, to allow the NCB to make a settlement outside the Government guide-

placed on the shoulders of the

Mr. Benn replied that Mr. Forman had misunderstood what had taken place.

This did not satisfy the Opposition benches and Mr. warned that the absence of sup-

ing the use of metal detectors he

reveal PR plans

Liberals

BRITAIN came " within an ace " of having a referendum on proportional representation for general elections last year, according to Mr. John Pardoe, Liberal spokesman on economic affairs.

He said the issue was raised when the Prime Minister asked the Liberal leader, Mr. David Steel, and himself about renewreach a consensus because that ing the Lib-Lab pact last summer. Mr. Callaghan had agreed to consult his Cabinet colleagues about the possibility

of a referendum. The claim was made at a tion to lay down "certain meeting aimed at using the demands" for reconstructing current industrial crisis as evidence of the need for a funda-Mr. Benn caused some sur- mental change in the electoral prise by hinting that negotia- system. It was dismissed in tions with the Opposition on the government circles, however, as

pure fantasy. the Liberals had not expected a Labour Government to deliver PR. it ought to have been able to deliver a referendum to the British people on PR for the

Westminster elections Mr Pardoe claimed that Mr. Callaghan had not turned down the request for a referendum but said he would put it before the Cabinet. Two weeks later he came back to the Liberals to tell them that there was no

Progress on prices

DESPITE BEING strongly criticised by Tory peers, the Price Commission (Amendment) Bill secured an unopposed second reading in the Lords last night.

Ministers are now hoping that the measure, which abolishes the safeguard regulations guaranteeing a minimum level of profit for companies undergoing investigation by the Price Commission, will receive the Royal Assem on Thursday.

In the closing speech for the Government, Lord Jacques, a Lord in Waiting, claimed that companies will be able to initiale action in the courts to challenge the way in which the Price Commission exercises its

discretionary powers, In asserting this view he clashed with Lord Cockfield. who argued that the Bill would port from Mr. Benn would give the Price Commission

Bill will thwart treasure hunters

MOVE to make life easier ological heritage to be recorded for archaeologists and harder before they destroy it." for amateurs with metal detec-Government in the Lords yester-

Peers were debating the second reading of the Ancient Monuments and Archaeological Areas Bill which gives archaeologists the right to excavate for up to six months at any site considered to be of special importance where there are plans for development.

Developers would have no choice but to allow the excavation to take place, and could not claim compensation for the delay

Baroness, Stedman, Environspokesman, said some developers co-operated with archaeologists. Others would not give them enough time to excavate and some would not even let them observe the site. There is at present the risk

that the developer will deny acress to a site of great importance, with the inevitable consequent loss of rapidly diminishing evidence of the past." Lady Stedman believed many developers would be plad to know what was expected of

The Bill also forbids the use archaeological interest. tors was introduced by the of metal detectors, without con-activities of ill-informed people

sent, at ancient monuments and archaeological sites. This provi- great dangers and could sion was prompted by "treasure threaten the existence of crucial bunting with the aid of metal sites.

A PRIVATE Bill to abolish the ancient law of treasure trove in England and Wales received its first reading in the Lords

yesterday. Introduced by Lord Abinger and sponsored by the Council for British Archaeology, the measure would mean that gold and silver objects found in the earth would automatically be the property of the Crown. At present, coroners must decide the ownership of treasure.

detectors, which could lead to Lord Mowbray said the new powers giving archaeologists the right to excavate sites irreparable damage and loss of knowledge," said Lady Stedman. It was not the detector that was scheduled for development. harmful, but the action of digwere justified. A morning's work with a bulldozer could ging up a metal object that was likely o harm an archaeological destroy a century of history, he

For the Conservatives, Lord For the Liberals Earl Grey Mowbray said: "Properly used, this Bill should do everything had done much harm to some responsible attitude towards the destruction and vandalism of conservation of our heritage." ancient monuments, he said. Lord Kennet (Lab) said he He said the Government

in areas other than those of guardianship of ancient monuments. He did not believe that ancient monuments should be using metal detectors could pose singled out for a lesser degree protection than National Trust property. But the new provisions for archaeological sites were clearly overdue. The provision in the Bill to

introduce the new concept for Britain of "designated archaeological areas" was praised by Lord Abinger.

But, he was uncertain how the idea would work because it was often difficult to identify areas of archaeological interest when they were located below ground, especially in large

Winding up for the Government, Lady Stedman said about 80,000 metal detector licences had been issued by the Home Office and a further 8,000 were welcomed the Bill. Amateurs being processed. Licences for metal detectors, unfortunately, to encourage co-operation archaeological sites and there did not ensure that they were between all parties and a was great concern about the not improperly used on archaeological sites and there are improperly used on archaeological sites and there are the second of t not improperly used on archaeological sites.

The Bill was given an them to "enable the ariac should consider further restrict- lamented the introduction of unopposed second reading.

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THE JOBS COLUMN

Weakness to strength • 'Elite' in reality

BY MICHAEL DIXON

"NOW TELL me: what is your weakest point?" The use of that kind of negatively directed question in job interviews evoked especial scorn the other night from Cyril Marks of Courts Careers Consultancy in

Such questions were evidently becoming more and more fashionable these days, he told a group of men and women about to leave the City University Business School with higher degrees in management. What better example could there be, Mr. Marks asked rhetorically, of the liability of recruiters arrogantly to assume the right to ask a candidate questions which they would feel affronted to be asked them-

"Just suppose you as a candi-date asked one of them to tell you what was their company's weakest point," he went on. "Would they tell you that some unidentified security problem was stopping L per cent of their finished production from ever reaching the customer?"

The tone in which Mr. Marks expressed this inquiry suggested a certain disinclination to believe that pigs might fly.

"But you'll find interviewers think nothing of throwing ques-tions like that at you," he informed the aspirant business graduate whose job-hunting season has started this very

point, what do they do? They consider it carefully for a moment, and then answer it honestly. Co-operating with negatively directed interviewing of that kind is the same as cooperating in your own rejec-tion," Cyril Marks declared.
"What you need is to think up an answer that puts the discussion back on a positive

What would he reply if asked to disclose his weakest point? "I probably push the people under me too hard."

Up and down

.THAT MASTERSTROKE—per-sistent use of which might apprise recruiters that tricksy interviewing is a game two can play-was an unexpected bonus from the City Business School's seminar, which I attended to discuss the likely job prospects for people with master's and other higher degress in manage-

As a breed such folk, who are commonly referred to as MBAs, have had a distinctly up and down existence since business education of the American pat-tern began to be imported wholesale into Europe about a

dozen years ago.
It is unfortunate that it was imported into the UK, in particular, amid an enthusiasm for education which was little short of religious in kind. Education was seen as capable of any-

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to see that the education people actually undergo, rather than theorise about, is a set of practices conducted by fallible human beings, some capable, some incompetent, and most of middling skill.

The fervour coincided with a belief that insufficient manbelief that insufficient man-agerial ability accounted mainly for Britain's failure to match the United States' economic growth. "The management gap." the deficiency was called. Managerial activity depends primarily on a relationship between one person and others. But few questioned whether in But few questioned whether, in that case, it could be effectively

as is philosophy, which depends on a set of intellectual precepts. Leading politicians, business men and even civil servants instead leaped to the conclusion that the way to heal the management gap was to set up higher-degree courses in business administration like those which were common, and have since become habitual, in the U.S. Perhaps because the result would be increased funds and career-prospects for aca-

taught in the same formal sense

demics, the educators heartily From public platforms various eminences declared that were set up and their human products transferred into the commanding heights of industry

motion prospects were to be surrendered to the educated "high fliers," rubbed their "high fliers," rubbed their bands menacingly and mur-mured: "Aye, Happen. . . "

When the MBAs began to emerge from the new courses the best of them were indeed sharply trained business-analysts and so of much poten-tial value to an economy where —to borrow the words of Ton; Hall, another speaker at the seminar — decisions taken because they seemed a good idea" too often turn out to be

very expensive good ideas. But the MBAs had generally been oversold, and not least to themselves, as paragons of managerial skill. Many were also undermined by one of the hand-rubbing fraternity who had been put in charge of them pending their elevation above his head to the senior ranks. The result was that, just as indiscriminately and irrationally as they had been heralded as intellectual saviours, by 1971 they were being ridiculed as impractical whippersnappers.

Now, however, the image of business graduates among working organisations seems at last to be settling into some reasoncorrespondence reality. And it looks as though this year Britain's new MBAs' services will be specifically sought by around 250 concerns of various kinds.

outside bodies.

the better they would inevitably Meanwhile thousands of practis-become. Hardly anyone stopped ing middle-managers whose pro-grams of academic education directly into two further years' full-time study of analytical techniques coupled with econo-mics, finance and the more medish sociology and psy-chology. Increasing numbers have years of working experience between bachelor's degree management school, and some are aged well into their

Salaries

The differences in age and experience make risky any attempt to estimate likely starting salaries. Even so, the average for those aged 27 and 200 are aged 200 are aged 27 and 200 are aged 27 and 200 are aged under is expected to be £7,500 or a bit more, and that for the 28-plus age group something upwards of £9,000.

Jobs which justify such high figures by applying the MBA's analytical skills in finance and corporate planing will probably make up the biggest single category on offer. Marketing and commercial operations seem to constitute the second biggest, and management consultancy, whose major firms are apparently recovering their appetite for recruits, will be another buyer.

But this year, the intake of MBAs into production and allied work might well help to banish their former over-manicured image by overhauling "And when candidates get thing an ideal commodity, the and commerce, the nation's Now, too, the business consultancy as the third biggest asked what is their weakest more of which everybody had prosperity would be assured, graduates are less typically category.

While the public sector remains aloof, business concerns in the UK-albeit still mostly the big groups—seem to be assuming the attitude of counterparts elsewhere in Europe. MBAs made their entrance in less manie-depressive circumstances. This is to take post-graduate management

education not for what one hopes or fears it might be, but for what is evidently is.

So no doubt will the business graduates who heard Tony Hall at the City University's seminar. As well as being an MBA, he taught for five years in manage ment schools before going last autumn to test his mettle with Delnair in the Lindustries group.

The problems now facing him are rarely theoretical. As emergency transport manager, for instance, he has lately been much exercised in every sense of the word by how to get lorries up a neighbouring ice-covered bill. But he believes he has learned more about managing in the past four months than in nearly twice as many years

Not to say he belittles his management school period. He thinks it fundamentally important in enabling him quickly to assess the position of a concern and the practical options open to it. Even so, he warned his former students at the City's Business School: "The intellectual sophistication of the textbooks is by and large redundant."

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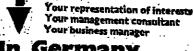
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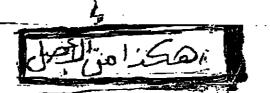
> The Socretary NORTH AFRICA-MIDDLE EAST TRADING CO. LTD.
> Suite 657-661 Grand Buildings
> Trafalgar Square, London, WCZ

Pension Fund Investments

We are looking for a numerate person, preferably with some formal qualifications, a few years' experience and aged 25/30, to assist in the management of our equity investments.



Please send brief c.v. to P. Olney, Investment Manager, GEC Ltd., 132 Long Acre, London WC2 or phone 01-836 3444.



Overseas Business Development *

With the rapid expansion of Irish dairying, exports from Ireland have almost achieved the £500 million level in 1978.

Accordingly, the Board is extending its Management team in overseas markets, particularly in the exploration of new market opportunities for Irish dairy products.

The role will involve identifying, developing and bringing to fruition market opportunities including joint ventures overseas.

A flair for identifying and successfully initiating new business opportunities, particularly in the international food industry, accompanied by a record of profit achievement is required.

The chosen applicant will have an appropriate degree coupled with a successful career in marketing overseas, preferably backed by experience in corporate development, all at senior level.

Preferred age group 35-45 years. A second language would be an asset. The appointment will be at director level. Please write in confidence to:

Mr. P. McKimm, Secretary, An Bord Bainne Co-op, Ltd., Grattan House, Mount Street Lower, Dublin 2.





SECRETARIAL :

APPOINTMENT

EXECUTIVE ·

SECRETARY/PA

A high-calibre Secretary/PA is required by the Chairman

of an international shipping

company. The post, which is London-based, calls for enthusiasm, initiative, organis-

ing ability and a well-developed sense of responsi-

candidate must be prepared to work flexible hours and should

have experience of work at

company director level, a good

educational background (in-

cluding ideality a degree in business studies, and prefer-

The work is interesting and

varied-the Chairman travels

extensively, has other business interests, farming being among them—and the condi-

tions are congenial. Salary and conditions by agreement.

Candidates are invited to telephone Mrs. Bell on 01-405 9366.

SECRETARY/PA

SENIOR SECRETARIES

Recruikment Consultents, 173 New Bond Street, W.1. 01-499 0092 01-493 5907

CITY LUXURY £5,000 ÷

Surround yourself with works of art in this young, extrovert, pro-fessional atmosphere. As secre-

tary/PA to Main Board Director you'll deal with executives on his behalf and handle your own areas of responsibility — i.e.

printers and total meeting pre-

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LEGAL NOTICES

DRAKE

paration. Good perks. For d call Judy Knapp on 437 1672

ably should be single. -

successful

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The successful applicant will join the small team providing business news, company reports and economic data for the three papers in the group, he or she will have the ability to analyse financial reports, to institute stories and to become conversant with all aspects of Irish business and commerce.

The position would suit a person who has had experience of financial reporting in a publishing concern or an unterprising graduate who has special talent in this area.

Salary will be in accord with a newly-revised house agreement. It will be in the 55,000 to 59,000 range, the higher scales being applicable to those with proven experience.

Applicants should, in the first instance, apply for an application form from the Personnel Manager. It is the Press Ltd., Bugh Quay. Dublin 2 Completed application forms, with samples of published work if evailable, should be returned to the Personnel Manager on or before Friday, Fabruary 18, 1979 FINANCIAL JOURNALIST

DESIGNATE ACIS £8-£8,250 + CAR +

Contact Judy-Ann Roscop on 328 8055. 01-828-8055/7361 Churchill Personnel Consultants London SWIV ILL

E)

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01-828 8055/7361 Churchill Personnel Consultants Abford House, 15 Wilton Road, London SWIV JLT.

Expanding Stockbrokers

In London Wall have vacancies in their general office for clerks with some S.E. office experience age 17-20, they also have a vacancy for persons with Arbitrage/Foreign settlement experience age 20+, salaries for both positions are negotiable and are plus the usual fringe

Eox A8637, Financial Times 10 Connon Street, EC4P 4BY or Phone 628 5788 for an appointment

WANTED

Egyptian Graduate Mid 30's, Diploma in Textile Technology, a U.K. resident for seven years. Ten years' practical/managerial experience in the spinning, knitting, weaving, dyeing and clothing industries. Currently, a technical manager in a dyeing/ printing/finishing mill in south of England. Seeks interesting, remunera-tive work with challenge and

potential in Europe or the Mid East. Write Box A.6634. The Financial Times, 10. Cannon Street, London, EC4P 4BY.

CLUBS ::

No. 00221 of 1879
No. 00225 of 1879
No. 00226 of 1879
No. 00226 of 1879
No. 00226 of 1879
No. 00230 of 1879
No. 00230 of 1879
No. 00230 of 1879
No. 00232 of 1879
No. 00232 of 1879
No. 00232 of 1879
No. 00232 of 1879
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matters of FAIR ENTERPRISES LIMITED. GRADESINGLE LIMITED. LA CUCARACHA GALLERIES LIMITED. LA CUCARACHA GALLERIES LIMITED. LA CUCARACHA GALLERIES LIMITED. LA CUCARACHA GALLERIES LIMITED. LA MARKHAM WHOLESALE SUPPLIES LIMITED end in the Metter of the Companies Act, 1943.
NOTICE 13 HEREBY GIVEN, that Petitions for the winding-up of the above-named Companies by the High Court of Justice were, on the 22nd day of January 1879, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39/41 Mark Lane, London, EC3R 7HE, and that the said Petitions are directed to be heard before the Court sitting at the Royal Courts of Justices. Stread, London, WC2A 21L on the 26th day of February 1979, and any creditor or contributory of any of the said Companies desirous to support or copese the making of an Order on any or the said Companies desirous to support or copese the making of an Order on any or the said Companies desirous to support or copese the making of an Order on any fine said Petitions may appear at the time of hearing in person or by his Course (or that number of the Petition will be furnished by the undersigned to any creditor or contributory of any of the said Companies for the said Companies of the said Companies of the said Companies of the Petitions must serve on, or send by cost to, the ebove-named mitter in writing of his intentions so to do. The notice must stafe the rame and address of the firm, and must be said entry. It is alficient time to reach the show-named not later than 4 o'clock in the afremon of the Zard day of February 1979. GARGOYLE, 69, Dean Street, London, W. I. NEW STRIPTEASE FLOORSHOW "AS YOU LIKE IT 11-3.30 am, Show at Midnight and 1 am, Mon.-Fri. Closed Saturdays, 01-437 6455.

COMPANY NOTICES



JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED

(Incorporated in the Republic of South Africa) NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER

DIVIDEND NO. 106 Pursuant to the notice published on 20th December, 1978, members are informed that the rate of exchange at which payments of the above dividend are to be despected by the United Kingdom Paying Agents on 16th February, 1978, is 1 Rand of 100 cents equals 57.8192p United Kingdom currency. The gross dividend payable by the United Kingdom Paying Agents is therefore equivalent to 28.9095p per share.

Equivalent in United Kingdom currency of dividend declared ... Less: South African Non-Resident Shareholders' Tax of 14.79% AMOUNT PAYABLE WHERE A U.K. INLAND REVENUE DECLARATION IS LODGED WITH COUPONS Less: United Kingdom Income Tax at 18.21% on the gross dividend (see Notes 1 and 2 below) AMOUNT PAYABLE WHERE COUPONS ARE LODGED WITHOUT UNITED KINGDOM INLAND REVENUE DECLARATIONS.

BARNATO BROTHERS LIMITED.

Société Nationale des Chemins de Fer Français (S.N.C.F.)

Floating Rate Notes due 1985 to 1997

Notice is hereby given that the rate of interest for the period February 2, 1979 to August 2, 1979 has been fixed at 11 per

> The Fiscal Agent KREDIETBANK S.A. Luxembourgeoise

USS25.000.000 9 PER CENT
DEBENTURES DUE 1989
Copies of the Annual Report
Accounts of Redpath for the year a
30 September. 1978, are available
of charge to holders of the above secu
during normal business hours. From
Greenwell & Co., Sow Bells House, B
Street, London ECAM SEL.

ART GALLERIES

BROWSE & DARBY, 19. Cork St., W. Philip Sutton—Recent Paintings.

5.2644

CIMENTS LAFARGE

81% 1971/1986 \$US 20,000,000 Loan Notice is hereby given to bondholders of the above loan that the amount redeemable on March 25, 1979, i.e. \$US950,000 was bought in the market. Amount outstanding: SUS13,000,000.

Luxembourg, February 6, 1979.

THE TRUSTEE FINIMTRUST S.A.

WESTMINSTER BANK BEARER
CERTIFICATES
REPRESENTING SHARES OF THE
ORDINARY CAPITAL STOCK OF
CAMADIAN PACIFIC LIMITED

CRANE KALMAN GALLERY, 178 Broms ton Road, S.W.5, 01-584 7358, 20th CENTURY FINGLISH AND EUROPEAP PAINTINGS AND SCULPTURE including works by Duty, Grass, Henworth, Miro Moore, Nicholson, van Dongen, etc., Unit 20 February, Mon.-fri. 10-8., Sats. 10-4

LEGAL NOTICES

This is the complete job for some-one whe wants to be thoroughly involved with confidential secretarial dution. at Director level but who also desires executive and adminis-trative responsibilities with career prospects. Some experience of sannotal or analytical work could be useful but this sepect of the job would be taught. You'll be work-ing in superb modern offices and there is a very long list of excellent fringe benefits which include a house purchase scheme and five

named not later than four o'clock in the afternoon of the 23rd day of February 1979.

No. 00284 of 1979.

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of F. A. WILLOUGHBY IMITED and in the Metter of The Comonnies Act. 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 29th day of January 1979, presented to the said Court by SANDELL PERKINS LIMITED whose registered office is situate at Cobtree House, Forstal Road, Aylesford, Maidstone. Kent, Timber Merchants, and that the said Patition is directed to the heard before the Court sitting at the Royal-Courts of Justice, Strand, London W72A 2LL on the 5th day of March 1879, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Patition may appear at the time of hearing, in person or by this coursel, for that numbors; and a ropy of the Petition will be furnished by the undersigned in any creditor or contributory of the said Company requiring such company for the regulated channel for the same.

REARY & WALLER,

2/3 tiend Court,

Flore Street.

Inoden ECAA 3De,

REARY & WALLER,

2/3 tiend Court,

Flore Street.

Inoden ECAA 3De,

Ref. ECTITY, T-1; CH.RRY 9C11,

Solicitors for the Positioner.

NOTE.—Any occase who intends to sone on the hearing of the said company of the said company of the said company of the said company of the action of the said address of the firm and mites he cannels of the approach of the firm and mites he arms of the approach of the said and address of the firm and mites he arms of the approach of the firm and the samual of the 2nd day of March 1979.

In the MIGH COURT OF JUSTICE Chancery Division Companies Court. In the Marter of HAWKERGROVE IMPROVED and in the Matter of THE COMPANIES ACT. 1948.

MOTICE 15 HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 23rd del Court by SAKDELL PERKINS LIMITED whose registered office is altered at Cobtree House, Forstal Road. Aylastroid, Maidstone, Kant. Timber Merchants and that the said Petition as directed to be heard before the Court sitting at the Royal Courts of Justice, Strend, London, WC2A 2LL on the 28th day of February 1979, and any creditor or contributory of the said Company destrous to support or oppose the making of an order on the said Petition may appear at the time of hearing, in person or by his councel, for that purpose; and a copy of the Petition will be lumished by the undersigned to the sains. RARY & WALLER.

2/3, Hind Court.
Fleet Streat.
London, EC4A 3DS.
Ref: F/TTH. Tel: 01-583 8511.
Solicitors for the person or by his councel, for that purpose; and a copy of the Petition must be sent by his councel, for that purpose; and a copy of the Petition must be sent by his councel, for that purpose; and a copy of the Petition must be sent by the person or firm, or his or the solicitor (if any) and must be served, or, if posted, must be sent by the person or firm, or his or the solicitor (if any) and must be signed by the person or firm, or his or the solicitor (if any) and must be signed by the person or firm, or his or the solicitor (if any) and must be signed by the person or firm, or his or the solicitor (if any) and must be signed by the person or firm, or his or the solicitor (if any) and must be signed by the person or firm, or his or the solicitor (if any) and must be signed by the person or firm, or his or the solicitor (if any) and must be signed by the person or firm, or his or the solicitor (if any) and must be signed by the person or firm, or his or the solicitor (if any) and must be signed by the person or firm, or his or the s

Justice, Strend, London, WCZA 2LL on the 28th day of February 1979, and any creditor or contributory of any of the said Companies desirous to support or coppose the making of an Order on any of the said Petitions may aboest at the time of hearing in cerson or by his Counsel for that ournose; and a conv of the Petition will be furnished by the undersigned to any creditor or contributory of any of the said Companies requiring such coov on payment of the regulated charme for the same.

G. F. CLOAK.

Kind's Beam House.

39/41 Mer' Lane.

London, ECSR 7HE.

Solicitor to the Petitioners.

NOTE.—Any person who intends to sposer on the hearing of any of the said Petitions must serve on, or send by cost to, the above-named oncies in writing of his intentions so to do. The notice must state the name and address of the firm, and must be single having the person or firm, or his or their Soliciter (if enyl, and must be saved, or, if nosted, must be earth by ones, in sufficient time to reach the show-named on their farm 4 o'clocking the afternoon of the Z3rd day of Pahryary 1979.

IN THE MATTER OF

IN THE MATTER OF THE COMPANIES ACT 1948 AND IN THE MATTER OF AND IN THE MATTER OF

J. WYATT JAR (MAILLAGE) LIMITED

IN Limidation)

NOTICE IS HEREBY GIVEN, cursuent

to Section 239 of the Compenies Act

1948 that is General Meetine of the

Mambers of the above-named Compeny
will be held at the differs of FLOYT)

NASM & CO... Chartered Accountants,

of 37 Cittord's lon. Fetter Lang, E.C.A.

in the City of London on Thursday.

15th day of March, 1979, at 11

a.m., to be followed at 11 ft s.m.

by a General Meeting of the Creditors

for the nurses of precisions an account

20th day of January, 1979 R. E. FLOYD, Liquidator. PLANT AND

MACHINERY

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GENERATORS from General Limited, Sizes from 2 KVA to 4,000 KVA. New and used, all guaranteed at keensst prices. Tel. Wardrave (073 522) 3035. Telex 648537

APPOINTMENTS

Clayton Dewandre Holdings Board member

Mr. Harry Lovatt has joined REDIFON TELECOMMUNICA-TIONS as executive chief He will control product development and be concerned with new product design as well as development of existing products. He takes over those responsibilities from Mr. R. A. Barrs who in a new post is in charge of product planning and development strategy. Mr. Hugh Letheren retains his responsibility for systems design and engineering. Mr. Lovatt leaves the Plessey Company after 10 years where he had a technical managerial in avionics communications.

Mr. Alastair Channing, at present a principal in the finance transport industries division, Department of Transport, has been appointed secretary to the BRITISH TRANSPORT DOCKS BOARD from February 26. He succeeds Mr. David Dixon who became docks manager of the BTDB port of Fleetwood at the beginning of last month.

The ORTHO DIAGNOSTICS division of Ortho Pharmaceutical UK has now been established as a new Ortho Diagnostics company in the UK as part of the programme to develop the worldwide franchises of the Johnson and Johnson group. and Johnson group. Ortho
Diagnostics will be within the
worldwide Ortho Diagnostics
organisation, and will continue
to be based at Marlow in
Buckinghamshire. The head of the new company is Mr. Brian D. Davis, director and general manager. He was formerly marketing manager of the diagnostics division and bas been with Ortho for six years.

Mr. Tom Lindsay, managing director of Ortho Pharmaceutical, will be on the Board of Ortho Diagnostics. Mr. Alian Follett is now marketing manager, Mr. Anthony Castleman, field sales supervisor, and Elizabeth Lindsay, project

Mr. Maurice Parsons has been appointed regional director of the eastern region of TEMCO INTERNATIONAL and Mr. Jack Honey has become general manager at Warrington. The company is owned by the National Freight Corporation.

manager, in the new concern.

Mr. David Stevenson has been appointed lesure sites director of HORNSEA POTTERY. He became leisure sites general manager in July last year.

WARNER-LAMBERT

Mr. Raymond R. Paterson has becomes a has become president of the medicines group in the UK. Ire-clayton DEWANDRE HOLD-chairman. Mr. Stephen M. PLASTERING CONTRACTORS and Mr. W. G. Murphy has been appointed chairman of Winthrop McGrath, at present vice-made senior vice-president.

Mr. Stephen M. PLASTERING CONTRACTORS and Mr. W. G. Murphy has been appointed chairman of Winthrop Laboratories in the UK. He was a senior vice-president. health care group, has been appointed a corporate vice-president and treasurer. Mr. Dennis A. Miller, assistant treasurer, is now vice-president, practice.

> Mr. A. W. Cox and Professor Edmund Happold have been appointed part-time members of the PROPERTY SERVICES AGENCY for two years. They succeed Mr. Andrew Derbyshire and Professor Alan Harris. A third part-time member of the Board, Mr. Hadley Buck has also been appointed for two years. The agency is an integral part of the Department of the

investments.

Environment

The Lord Chancellor has appointed Dr. Eric Francis Carr, to be a Medical Visitor of mental patients, replacing Dr. Alan R. Mouro, who died in September. Dr. Carr is a senior principal medical officer at the Department of Health and Social Security where he is head of the medical concerned psychiatry.

Mr. Brian Hargreaves, editor of the West Lancashire Evening Gazette, has been appointed a director of the newspaper's publishing company, BLACK-POOL GAZETTE AND HERALD, part of United Newspapers Publications.

Mr. Colin Astin and Mr. Ronald Noble, formerly assistant direc-tors, have been appointed direc-tors of BARCLAYS MERCHANT BANK.

Mr. Denis Helghtman, of Thorn Television Rentals, has been elected chairman of the council of the CABLE TELEVISION ASSOCIATION OF GREAT BRITAIN. Mr. Frank Hall, Vistalian of the CABLE TELEVISION ASSOCIATION OF GREAT BRITAIN. ionhire, becomes deputy chairman of the association.

Mr. R. Dickinson has been appointed to the Board of CURRYS and continues as managing director of Currys Group Service. Mr. H. J. Potterion, a former Currys joint managing director, has retired from the Board.

Mr. P. W. Fleming is to become sales director of MORGAN FURZE AND CO. on March 1 in place of Mr. Richard Persse, who is leaving to take up a new appointment in the West Country. Meanwhile, Mr. Jack Breen, a director of the company and institutional business, will deputise.

George Hromadko as vice-chairman of the Board, financial affairs. Formerly senior vice-president and treasurer, Mr. Mr. E. R. Brookes has been elected first president of the newly formed STONE FEDERA-TION. Mr. John Bysouth is senior vice-president. Mr. E. J. Andrews

Mr. John R. Ruddy has been appointed to the main Board of R. P. MARTIN AND 'CO. Mr. Patrick J. Phelan has joined the Board of R. P. Martin Deposits. investor relations and pension

> Mr. Douglas Barrington, managing director of the Lygon Arms, Broadway, has been elected chairman of the national council of the BRITISH HOTELS, REST-AURANTS AND CATERERS ASSOCIATION, succeeding Mr. Maxwell Joseph. Mr. George Hil, chairman Bass UK, has become chairman of the Association's Board of management in place of Mr. Rex Joseph. Mr. Donald Durban has been made vice-chairman of the Board.

Mr. D. W. Beattle was appointed a non-executive appointed a non-executive director of TWINLOCK. He is a divisional director of the National Enterprise Board.

Mr. R. A. Farren, works manager, Mr. B. J. Elliker, UK sales manager, and Mr. R. A. Poulton, technical consultant, have joined the Board of FITTER AND POULTON.

Mr. Anthony Burden has been appointed director of sales, Europe, of CARTE BLANCHE INTERNATIONAL, now a wholly-owned subsidiary of Citicorp, with responsibility for the establishment of its UK and European sales and marketing operations. Mr. Burden was formerly sales director for Diners Club.

Mr. J. F. T. Dundas has been appointed a director of MORGAN GRENFELL INTERNATIONAL

SmithKline Corporation has formed SMITH KLINE AND FRENCH RESEARCH, and the Board of that company consists of Dr. R. W. Brimblecombe, Mr. L. N. A. Flockhart, Dr. W. L. Burland, Dr. C. R. Ganeilin and Dr. A. M. Roe.

Mr. Minoo E. Randeria has been appointed to the pharma-ceutical division of DIXONS PHOTOGRAPHIC as divisional commercial director and joins the 10 divisional boards in a non-executive capacity. Randeria has been both financial and commercial director of Wimpy International.

Mr. Peter Orpin has become sales director of EVERBRIGHT FASTENERS; SNW; and METRIC FASTENERS.

STERLING - WINTHROP GROUP is forming its commercial divisions into three husiness

groups each under a chief execu-Mr. Nell Appleton will be chief

joined the company in 1965 and since 1973 has been managing director of Winthrop Laboratories. Mr. Colin Twaite becomes chief executive of the consumer products group in the UK. He started with the company in 1963 and became managing director of Sterling Health last year. Mr. Richard Brown is to be chief executive of the industrial products group in the UK and is appointed chairman of Izal. He has been with the company since 1962 and was made managing

Mr. E. Romaguera will be appointed representative of BANCO NACIONAL DE CUBA. Zurich, from March 1. Mr. G. Roca is now managing director of HAVANA INTERNATIONAL

director of Izal in 1965. Mr. Jeff

Wood has been appointed manag-ing director of WINTHROP LABORATORIES UK.

Mr. John Key has become managing director of Messengers (Birmingham) and has also joined the board of its holding company PENTOS ENGINEER-ING GROUP. He has worked within Pentos for three years. latterly as production director of Austin-Hall, a member of Pentos Construction Group. Appointments made within the Pentos Construction Group are Mr. Tony Thomas as managing director of Clifplant, having been sales director of Austin-Hall. Mr. Alwyn Chappell is now production director of Austin-Hall and Mr. Brian Feeney sales director of that company, succeeding Mr. Thomas

F. Ward has been appointed a director of JOHN CARR (DONCASTER).

Mr. R. Slater has retired from the Board of WHESSOE.

Mr. W. Adams has resigned from the Board of GRINDLAYS

Mr. J. A. McCleery has retired from the Board of BICC.

Mr. Marcel Cucni has rejoined the PORTMAN HOTEL as con-troller and is on the executive committee which runs the hotel. Mr. Cueni joined the hotel in 1975 and then moved within the group to the Intercontinental at Hyde Park.

Mr. Peter Stevenson, a director of Noble Grossart, has been appointed a non-executive director of the Board of WM. LOW AND CO.

Mr. Enver Jamali has been appointed chairman of PAKISTAN INTERNATIONAL

This announcement appears as a matter of record only

November 1978

Superintendencia do Desenvolvimento do Nordeste (SUDENE)

¥20,000,000,000

Term Loan Facility

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The Bank of Tokyo, Ltd.

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The Doi-ichi Mutual Life Insurance Company

The Meiji Mutual Life Insurance Company

Sumitomo Mutual Life Insurance Company The Long-Term Credit Bank of Japan, Limited

The Nippon Trust and Banking Co., Ltd.

Mitsui Mutual Life Insurance Company The Toyo Trust and Banking Company, Limited

Co-ordinated by

Brasilinvest S.A. Banco de Investimento

The Nippon Credit Bank, Ltd.

1111

have been tantamount to heresy

within Guest Keen and Nettle-

folds to have viewed the Govern-

ment's takeover of its steel

activities with anything but horror. Yet Trevor Holdsworth,

managing director and deputy chairman of this giant engin-

be seen to stem from the nation-

After a decade of growth, the company decided about two

years ago to take stock of what

it had been doing and to pay greater attention to where it

should be going. On examina-tion GKN found it was in 120

separate identifiable businesses

"a messy conglomerate"

how Holdsworth describes it.

And "a conglomerate as a philosophy is a nonsense," he

cent of the total number the

assumption can be made; and

However, a recent report

the U.S. is thriving.

world steel industry.

line of acquisitions.

Jason Crisp on how a British engineering giant is 'simplifying' its business

GKN: getting down to nuts and bolts

eering company can lean back in his chair and with a smile investors are increasingly look-ing at a company's business and reflect: "Looking back now, ing perhaps we should have wel- are happier if it is more comed the nationalisation of our identifiable. One problem over the ten-ear period following the steel interests . . . in retrospect it might have been a help." Not a hair turns nor is that so

nationalisation of steel was that the company still hankered surprising given the state of the after that metal. GKN was making almost instictive decisions Many of the changes currently taking place within GKN can taking it back towards steel-Old habits die hard," says alisation of steel-for the Holdsworth. One example second time in 1967. Since then might well be the purchase of the company has grown from a Firth Cleveland which he says turnover of £355m to one of was an "old style" purchase. Until GKN began to review

£1,639 for the year ending Until GKN began to review December 31, 1977. Much of its activities in 1977 the impetus the growth comes from a long of the company's growth had come from the bottom up and one of the things to come out of the review was that the corporate direction should be led from the centre. One reason behind this decision was the realisation that to exist in a post growing in a growth economy.

"We are looking at a big change in the world economies: after the oil crisis, it is quite There are two reasons for different from what went before this: first, he believes that and growth is going to be much in an international company, smaller. We have to work managers of the business cannot against that condition. ferent products and markets, growth we need to be more Second. Holdsworth says that highly competitive and therefore

"the evidence and data U.S. accounting for over 97 per lead to the inevitable conclusion that these good-faith efforts on the part of the Federal Governoften is, that small business in ment to aid small business and reverse the trend towards 'bigness' have failed."

issued by a small business sub-Since statistics are there for committee of the House of all to use, optimists have Representatives has concluded pointed to the increasing that "economic concentration, number of small firms (except riding the tide of an unpre in manufacturing) and the cedented merger wave, and decline in their failure rate, as monopoly power continue to a sign of small business health. gnaw away at the foundation The subcommittee, though, sees of our competitive economic danger in the decline in the imsystem — the small business." portance of small business in the overall economy.

The report notes that efforts to protect small business began The report cited a trend in the U.S. as early as 1890 with Sherman toward greater economic contrust-busting Act. Several legislative battles direct government intervention. later, in 1953, Congress created is likely to continue. "It has the Small Business Administrabecome readily apparent that an tion (SBA); to provide counselling and financing to small busiincreasing number of small nesses. In 1977, the SBA dis- businesses are being forced to share in a decreasing 'piece' of the 'economic pie'." it said. pensed about \$3.3bn to about 32.000 firms. Despite such assistance and In manufacturing and retail-

anti-trust efforts by the Federal ing, big companies are becom-Commission and the ing bigger and are steadily in- to mereasing control by fewer Justice Department, the House creasing their control of the firms in many industries. In subcommittee concluded that market. From 1950 to 1976 the the newspaper industry 170 com-

more. A company should know what it is good at and go for it," says Trevor Holdsworth. Easier said perhaps than achieved. But GKN decided

member.

that it needed to develop a comprehensive long term strategy and also to re-organise if it was to move towards achieving it In order to develop a central

strategic leadership the senior levels of management were re-organised. Before the re-organisation, the top tier of main board included, among others, three of the 20 chairmen of the sub-groups into which GKN was divided. This presented these particular directors with a certain conflict between their group's interest and that of the whole company. There were also a number of "oil crisis" economy needed disparate sub-committees deter-a definite strategy. It was no mining policies on personnel, longer enough to rely on simply marketing and technology marketing and technology having only Sir Barrie Heath, chairman of GKN, as a common

> The reorganisation of the Board reduced the number of committees to two. The chairman's committee, consisting of Sir Barrie and the non-executive committee chaired by Trevor function, such as finance or Holdsworth, and consisting of R and D. When policy is being ing companies are still profit and distribution business area.

COMPANIES SOLD Cleveland Lead to Billiton UK (March 1977) Boscombe Engineering to 4
employees (August 1977)
BKL Cathodic Protection Division
to ISC Alloys (January 1978)
Carlson Ford to APV Holdings

(October 1978)
Firth Cleveland Ropes to
John Shaw (November 1978)
COMPANIES CLOSED
(Jobs Joss: 1,900)
GKN Sankey Plastics Division
(September 1978)
GKN Sankey Plastics Division GKN Sankey Bumper Division (September 1978) (September 1978)

Precision Forgings (June 1978)

Abercrowe works of GKN

Nuts and Bolts (June 1978)

Frederick Mountford

Frederick Mountford (December 1978) Hot Nut Works (December 1978) Automotive Fasteners (Glasgow) (March 1979)

executive directors, the

three former chairmen of the sub groups now devoting themselves fully to Board duties. One of the tenets of the management committee is that between them the directors cover all areas of responsi-This is achieved by giving each member three types of responsibility: 1-products keep track of too many dif- are going to manage against low directors, and a management and market; 2-territory: 3-



Trevor Holdsworth: " A company should know what it is good at and go for it."

discussed it means there is always someone responsible for

any aspect. The result of this re-organisation is, first, to ensure that the overall strategy of the company comes from the centre, and second, to improve communicawithin tion laterally

It continues to be GKN policy that management decisions emphasise that both policies should be made at the lowest should be seen as "positive." applicable level-all the operat-

centres. The constraints on the lower levels of management conbe financial performance and overall company

The strategic planning pro-cess, although well under way for from complete. One decision which has been made garden tools-to retail outlets. is that the 120 separate busi-nesses in which GKN finds itself are too many. The long term objective is to limit the company's activities to five main

So far the company has only identified two of these mainstream husinesses in which it has firmly decided to stay for the future; there are, of course, a number of tentative ones. The identified businesses are automotive components and industrial and wholesale distribution. Over and above setting down mainstream businesses GKN has

also looked at those constituent parts and divided them into two categories. One is "maximum" support, which means the company is giving this area priority for growth and the other is what GKN calls "ongoing" support which is to sustain the business at its current level and mointain market share.

Holdsworth is anxious to emphasise that both policies An example is the industrial

four main businesses; steel services, which is largely stockholding, after sales automotive parts: distribution of industrial fasteners and components: distribution of hardware—all makes from ironmongery to

Almost all of the wholesale business has been defined as a maximum support area by GKN. The exception is steel stockholding where it already is the largest in the country, with over 20 per cent of the market. This has been designated "ongoing support "—that is, it should maintain that share.

Similarly almost all of the automotive component activities are rated as a "maximum" sup-port area. Generally speaking the support sector to which any particular part of GKN has been allocated remains secret. although senior management.the top 40 below heard levelknows which category their own grouping comes into.

The relationship between the main business areas chosen by GKN and the geographic strategy it is also pursuing are closely intertwined. Historically, GKN's market has been Commonwealth based and now the emphasis is becoming increasingly oriented towards Europe and North America. This is par-

porate ere. GKN's products naturally require markets within large. mature and highly developed economies. And as it simplifies its business so it needs to expand its markets in which its

pagents—which might be described as the apple of the cor-

products are sold.
Not all of the mainstream business groupings have been finally decided on, although these will obviously bear a close relationship to existing main areas. These are likely to be: turnkey contracting, industrial and constructional services and manufacture of special steels; but Holdsworth does not rule out totally new areas.

But by concentrating the business into a lineted number of themes it also means that those parts of the business which do not fit into the grand scheme must be divested. Holdsworth believes that keeping on an operating company which did not belong in a major group not belong in a magnification of could rum it: "in the end something will go: wrong." The divestment programme will probably involve about 12 per cent of GRN's net assets, included ing companies sold or closed p

Another aspect of GKN's new direction is that growth will have much less to do with acquisitions and much more to do with organic expansion, says Holdsworth. Which is not to say that GKN won't still be buying companies, although it may be less keen on picking up ton mixed a bag which needs much divestment afterwards. post steel nationalisation lesson

has been to keep the company ticularly true of automotive com-in businesses it knows well.

New efforts to stop decline of small business stake in U.S. economic pie

BY NANCY DUNNE, IN WASHINGTON

200 largest U.S. manufacturers panies now own approximately increased their share of market 60 per cent of the nation's 1,762 assets from 47.7 per cent to daily newspapers. The 58.8 per cent. Census bureau brewing companies in 1947 had figures show an 8 per cent in- declined to 108 by 1972. The crease in the percentage of number of independent dairies sales by the largest manufactur- decreased 54 per cent between ing firms between 1963 and 1964 and 1976, and the estimated centration. which, without 1972, and a steady decline in 40 coffee roasters today comthe percentage of sales earned pare with 261 in 1963. by smaller firms.

> percentage of total sales by conditions and in part to governlarge businesses increased from ment policies, according to the 29.6 per cent in 1948 to 44 per report. cent in 1972.

of those industries Over 80 per cent of those industries in which declines damage occurred used heavy advertising.

The decline of the importance In retailing, the subcommittee of small business is due in part spotted the same trend. The to changed market and economic

Advertising has had Mergers and failures have led devastating effect on many small businesses. In 70 consumer product industries studied between

companies declined in two-thirds the acceptance of monetary

Inflation and the rising interest rates used to control it hit small firms the hardest, J. K. Galbraith, the economist, told the subcommittee. Credit is generally vital to small firms who are less likely to get it when the squeeze is on. Being small," Mr. Galbraith said, such firms cannot pass the higher interest costs of money on to their customers . . . I must say the mystery of our time is how readily and completely small business and its reprepolicies that could not be more precisely designed to do them Small business is also hit

hardest by the burden government regulation and red Commission Federal Paperwork estimates that small businesses spend approximately \$15bn a year on paperwork imposed on them by various federal agencies.

If small business is in trouble, it is at least finding a greater awareness of its problems on Capitol Hill, and in the administration. The sub-committee report itself is an indication of on means to aid small business,

had been hoping for. drift has produced a number

of new members of congress espousing "neo-conservatism" which favours small business over large, and many leading liberals like Senator Edward Kennedy are also reportedly looking favourably on hills to help out small business. As a result of the subcommit-

tee hearings Congress last year took what many hope will be a first step in a policy of treating small and large businesses on different terms. It passed a graduate corporate income fax which requires that companies with a taxable income of less than \$25,000 a year, pay a tax rate of only 17 per cent.

Companies with a taxable income of more than \$100,000 have a 46 per cent tax rate.

President Carter, a former small businessman, is also sympathetic to the problems of small business; he has asked all federal agencies for suggestions "sympathetic climate" that and he has appointed a new

The country's conservative tion. A White House conference rift has produced a number on small business is scheduled for January 1980

The great weaknesses in the American economy - inflation and declining productivity—are very much responsible for the renewed interest in small busi-

Traditionally, smaller firms have been the leading innovators who produced the technological advances which spurred productivity. A national science foundation study for 1953-73 found that small firms produced about four times as many innovations per research and development dollar as mediumsized firms and 24 times as many as the largest firms. But small business, in recent years, have received less than 3.5 per cent of federal research

Small business supporters believe a flourishing small business sector can create the competition needed to stem inflation and can produce the technological advances needed to make American productivity 1947 and 1977, the number of sentatives have been gulled into American small businessmen chief counsel for advocacy at what it was in the past.

Technical News Working on complex

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

MACHINE TOOLS

Handling time cut by controller

NUMERICAL control can open up many new possibilities in project planning and in work-workpiece upon the table, are shop production efficiency, yet entirely automatic and tapeappraisals of new or replace- controlled. No marking-out is ment equipment are frequently required.

based on performance compari
Freed from the need to sons with existing units exclu-

Much more is possible than direct cost savings, according to Matchinaker Machines. Because in production can be obtained numerical control offers repeat—with minimum demands on the ability and versatility, there can operator. also be significant improve-ments in materials handling and the flow of work within the shop. Its new Matchmaker CNC 700 mill, for instance. will permit the user to cut production times, allowing him to handle a greater volume of work. But it will also, immediately, demonstrate its ability to save on materials handling time and reduce workflow within the machine shop,

Multiple work-stations can be reduced to a single one, which is where the economy in handling comes in. At the same time, work-in-progress stocks can be reduced to a very great

subjected to during the course

of the morking day. However, determination of what is producing the noise and of the best

means of counteracting it is no

Association has made a special study of the problem

SAWING WITH a minimum of material handling is possible with a program controlled

lengths from stock. The opera-

Reducing noise

Programmed cutting

SO23 TRX (0962 60371), titles, together and feed rate.

Main use of the PKS 130PM and feed rate.

On the tak saw is a syst

MANAGERS OF machining and is now a leader in noise shops are required by a number of recent Acts to reduce the amount of finise workers are

fully automatic cold saw put on the market by Rivers Machin-ery, Winnall, Winchester, Hants of the various lengths and quan-

for can load up to eight separate into separate compartments.

All milling operations, apart from initial positioning of the

handle the workpieces, the machine operator can concentrate on quality and output. Very high standards of accuracy

Since work is produced with greater accuracy, less finishing is required and inspection time is reduced. Elimination of a multiplicity of jigs and fixtures should make CNC highly competitive with traditional methods of production.

made from the same blank and during the same machine cycle. Two or more pieces can be com-bined for separation later, all from a single tape.

Matchmaker Machines, Central Way, Faggs Road, Feltham, Middx, TW14 OUY, 01-890 6551.

course in analysis to pass on

what it has learned to designers,

development and production engineers. It could interest engineers in many other areas.

The course will take place on April 25 at the MTIRA Work-

shops, Hulley Road, Macclesfield.

partments on a moving platform adjacent to the saw.

tities, together with blade speed

On the take-off side of the

saw is a system which works

in conjunction with the pro-

gram to sort the cut lengths

components

INTENDED primarily for small batch chucking of parts with complicated profiles of up to 384.4 (0908 567114). 130mm diameter, but capable new computer numerically controlled centre and chucking over 8.000 four-bit words. Data
lathe is fitted with a new lift-up
full-front splash guard which
combines safety with easy
least 500 times. access to the machining area.

reloading of chuck workpieces. Spindle motor power is 5kW 6.7 HP) for higher productivity. Tooling options are extensive and there is provision for mounting a single tool holder above the standard Sstation hydraulically-operated turret.

This Weiler lathe is available from T. B. Robertson Group, Robertson House, Caxton Way, Holywell Industrial Estate, Watford, Herts. WD1 8UA. Watford 353333.

An additional advantage is a link-in facility which permits more than one component to be gauge the gears

PROMISING to be one of the PROMISING to be one or the largest displays of gear measuring devices ever shown in the UK is the selection appearing on the stand of George Kuikka, Hill Farm Avenue, Leavesden, Watford, at Inspex 79 (April 2-6, NEC, Birmingham).

Range includes Carl Mahr machines and gauges, double flank rolling machines for gears of smallest dimensions, such as clock to automotive gears, and machine tool gears into very large rolling mill gears. All aspects of measurement on these gears will be demonstrated, including techniques such as pitch measurement with

cumulative error. Highlighting microprocessor development, Feinpruf has developed a completely new generation of inspection units based on this technology. This applies to simple single length gauging, as well as highly sophisticated curvature and contour gauging, as required for television tubes, crankshafts, etc. says the company.

Precision bore measurement by mechanical, electronic and pneumatic gauges will also be

Further on 09273 70611.

e AUTOMATION

Logs events and analyses data

by Pennmbra Systems, 9. Bur- For particularly high pulse offered.
ners Lane, Milton Keynes, MK11 repetition rates—from a turbine Opera

Events are recorded not on also of turning workpieces up the customary magnetic tape to 350mm between centres, a but on 100 x 80 x 10 mm solid

Data is entered from any sen-The guard also incorporates an sor that produces a series of con-additional opening to allow tact closures or TTL level pulses

rently set recording interval which can be between 7.5 mins

writing.

and eight hours.

flow meter, for example—the

header message is written car-

The company can supply a additional opening to allow tact closures or TTL level pulses cachette reading system based quick entry for the removal and is recorded at pre-deter- on a PDP 11/03 minicomputer mined intervals, the maximum and floppy disc, or alternatively count for each interval being the full cachettes can be sent to

over 16m. The number regis- Penumbra where the data will tered is coded and put into the be converted to line printer list-• CONSTRUCTION

A RISING step traffic control trol vehicles with an axle weight barrier called Hydrakerb, built not exceeding five tonnes and to British Standard 4469, has is supplied with traffic lights been put on the market by APT and a free-standing power pack Controls, 77 Scrubbs Lane, London, NW10 (01-960 0111).

Operated hydraulically, the suggestion of the control o

unit can be installed in an eight inch recess so that site prepara-tion is minimal and the cost of building work fairly low. Its design makes it suitable for all car parks, including multi-storey buildings with pre-stressed or suspended floors, or where ceiling height is limited. Hydrakerb is intended to con-

Traffic control barrier

The barrier has a heavy gauge steel chequer plate top surface and is finished in yellow and black stripes. It can be raised in three seconds and can be instantly reversed. Should the mains fail, it retracts immediately.

The associated hydraulic equipment can be sited up to 10 metres away.

Shelves slide into place

brackets are simply slid into a backplate which has been screwed onto a wall, there is no need for uprights to be used in a shelving system available from Elegant Living, 618 King's Road, London, SW6 2DU (01-

Apart from the aesthetic benefit of uncluttered walls, the elimination of uprights simpliment, says the maker, Pollard

BECAUSE new design shelving fies installation and particularly brackets are simply slid into a for the do-it-yourself enthusiast, there is a great saving in time and fitting

Narrower, single shelves can be fitted over radiators, or in the bathroom, but where a centre bracket is used, shelves can take heavy items such as television sets and hi-fi equip-

full documentation for indivi-dual pitch error as well as Sawmills in Honduras

and Corporación Forestal In-dustrial de Olancho S.A. (Corfino), of Honduras, have sigued an agreement concerning technical co-operation in connection with the building of at least two sawmills, which constitute the first phase of the so-called Olancho project. Enso's technical experts will assist and instruct Honduran

forest resources, sylviculture, wood recovery, and building of production plants The resources, situated in

partners in the optimal use of

ENSO-GUTZEIT OSAKEYHTIO the eastern parts of central Honduras, cover 1.5m hectares, of which 500,000 are pine exclusively, corresponding to 32m cubic metres of wood raw 32m cubic metres of wood raw material. The total costs of the Olancho project are estimated at \$600m, which includes the an hour with no need for furconstruction of three sawmills, a pulp mill and a paper mill, as well as forest truck roads and harbour installations, which are already under construction. The combined capacity of the first two sawmills will be about 315,000 cubic metres of sawn goods per year.

CONTINUOUS UNATTENDED cachette and for a typical interings, punched paper tape or event logging coupled with a val of say, 30 minutes, the industry standard magnetic data analysis service are offered capacity of the store is 56 days. tape. Statistical analysis is also Operating for one year from

batteries, the logger measures input count can be scaled before 450 x 340 x 140 mm and weighs viting. 7 kg. Working temperature For each cachette used a range is -15 to +50 degrees C.

rying the logger's serial number, time and date, and the cur-New circuit

breakers SIEMENS reports that it has introduced a new generation of circuit breakers to accommodate many differing national stan-

used employing three widths, to extract the recovered oil two heights and two depths. All from the fibre. The fibre can the cases are in moulded plastic recover machine, animal or side by side installation.

There are three kinds in the range, designated by applica- mop for use with hand-operated tion. The 3VE motor circuit breakers are available with ratings from 63 to 630 amps and have delayed adjustable releases for overload protection and fixed instantaneous releases for short circuit protection.

Type 3VN are to protect

distribution circuit protection church 6666. in values from 100 to 1250 amps.

• PLASTICS Bike wheel made in one operation

A COMPLETE bicycle wheel in a copolymer plastics material has been evolved by Bernard Mozzi Motors in Italy, by injection moulding circular frame, spokes and hubs in one opera-The polymer used, introduced

pany claims, ensure a bicycle with the same resilience as that obtainable with traditional wheels. It has already underther assembly operations or

by Montedison will, the com-

balancing.
Each of the wheels weighs only 700 grams, about 70 per cent that of a traditional wheel. The U.K. address of Monte-dia 1 is 7, Lygon Place, Ebury Street London SW1W 0JR (01-750 1195).

POLLUTION Picks up **ѕршеа** оп

JANUARY, a London IN Chamber of Commerce mission to Singapore, Malaysia and Thailand showed a range of mechanical oil pick-up systems designed to recover oil spillage -from accidents on factory floor to harbour, estuary and coastal spills-with considerable success.

The manufacturers, Recovery International, expect to develop business worth between £11m and £2m over the next two years as a result of the interest expressed by government officials and distributors.

The machines rely on the use of a Shell-patented fibrillated PROBLEMS of repairing pipedards and practices."

In common with many manufacturers, a modular concept is is used with equipment designed and are constructed for butting vegetable oils with a maximum content of 15 per cent. It is supplied in the form of a hand extraction equipment, and in the form of 15m or 31m long 150/300mm-diameter. four-ply rope for use with motor operated extraction equipment. The machines have been recom-Type 3VN are to protect Springs Laboratory. Further motor starters, with five ratings information from Oil Recovery from 100 to 630 amperes, while International, Tuckton Bridge, the 3VT units are intended for Christchurch. Dorset distribution circuit mended for use by Warren

Keeps the bench clean

DEVELOPED BY Microflow Pathfinder, Minley Road, Flect, Hants (02514 28441) is a blown air downflow workstation for use in the electronics, medical, pharmaceutical and industrial fields where the end product has to be as free as possible from to be as free as possible from airborne contaminants.

Air is blown straight down on the work area at about 0.45 metres/sec and leaves through perforated sections on the bench surface; it is then ducted to the upper fan station where it passes through a pre-filter and main filter, the latter removing particles in the 0.02 to 2.0 micron range.

The units can be fixed together to form extended process or assembly lines. Noise level at 1 metre from the unit is only 58 dB, achieved fixing the centrifugal fans on auti-vibration mountings, and the low speed of operation. The units conform to American Federal Standard 209B Class 100, and to British Standard 5295 Class 1.

make ideas take shape

RESEARCH **Pipeline**

lines under pressure are to be studied for two years by Batelle's Houston Operations and Columbus Laboratories, provided that some 17 com-panies agree to invest about \$5,000 a year in the work. A typical hazard is a burnthrough during welding; or hard, crack-susceptible zones

may form in the pipe wall next to the weld. In addition, the pipe contents may become over beated. Among the aspects that may he looked at are the minimum thickness of material on which welding can be carried out with-out a burn-through, the pressure levels that can be main-

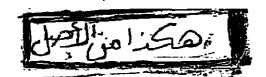
tained without burn-through, the effects of the pipe contents and their rate of flow, and the limit of welding energy that can be employed, More from Battelle at 2223 West Loop South, Suite 320 Houston, Texas 77027.

COMPONENTS **Proximity** switch-

OFFERED BY Robertshaw Skil. Greenhey Place, East Gilli-brands, Skelmersdale, Lancashire WNS 9SB (0695 23671) is a solid state proximity, or limit, switch operating on the capacitance principle.
When a plate fitted to the moving part that is to be stop-ped approached the unit, a sentconductor switch operation will stop or reverse the motion. Encapsulated to withstand extreme shock, vibration and

custom-uilt chip and can operate in a temperature range of -40 to +120 deg. C at vibration levels of ±30g, on any axis from 10 to 500 Hz. Use of the expanitance principle allows very precise setting and control and the absence of moving parts ensures long trouble free operation.

moisture, the unit makes use of



Financial Times Tuesday February 6 1979

-CITROEN INCREASE-FAMILY ALLOWANCES.

When it comes to interior refinements, estate cars are

The Citroën CX Familiale is the first eight seater vehicle that neither feels like, looks like, nor drives like a bus. So at last the driver who on occasion needs a large passenger carrying capacity has a civilised and economical alternative to either a second car or public transport.

PASSENGERS OR PARCELS?

The Familiale's seating is arranged in three rows. Two bucket seats in the front row, three individual bucket seats in the second row and a bench seat for three in the back row. And it is a pleasant surprise to discover that all the seating is of the same exceptionally high standard that has made CX a byword for comfort.

Of course if all the seating were fixed and static, the Familiale's carrying capacity would not be used to the full most of the time.

So the entire back row folds flush down to the floor and allows the Familiale to be turned into a five seater estate car instantly, with greatly increased luggage space.

A TOUGH CUSTOMER.

Seats apart, the Familiale is identical to its stablemate, $the CX\,Safari\,E state.\,Those who are familiar\,with\,the\,Safari\,will\,know$ just what good news that is. But for those of you who don't, it means that you can load well over half a ton into the Familiale, arrange it any way you wish, and still the car will remain level. As a result roadholding remains outstanding whether the Familiale is fully loaded or not.

This, of course, is due to Citroën's unique hydropneumatic suspension. All four wheels are independently suspended, and height correctors automatically adjust to ensure the car remains at a constant height from the road. This system makes for a superlatively comfortable ride even over the roughest roads. The self-levelling aspect of hydropneumatic suspension also ensures trouble-free

towing up to 11/4 tons, as the tow-bar is kept at a constant height, minimising the possibility of its touching the road on sharp hills and dips.

QUIETLY DOES IT.

more often than not the poor relation. This is not true of the Familiale. Comprehensive soundproofing ensures that any noise inside the car is due almost entirely to its occupants. It is sumptuously carpeted throughout, and for upholstery there is a choice between luxurious jersey cloth and tough hardwearing Boxline, ideal for sweet loving children and mud loving dogs! The front seats recline fully and have adjustable detachable headrests. The driver's seat

is also height adjustable. VariPower steering is standard, making the Familiale a completely effortless car to park even in the most confined spaces. But VariPower also has a unique advantage over other power steering systems.

The steering gets progressively firmer with increasing feel as the Familiale goes faster, so long distance high speed cruising is much less tiring.

Another relaxing feature for the driver is the imaginative yet sensible fascia layout. All the instruments and the comprehensive array of warning lights can be seen at a glance and immediately understood through the distinctive single spoke steering wheel.

A TOUCH OF CLASS.

Performance too, puts the Familiale into a totally different class. Top speed is a swift 108 mph. Getting there is simple, especially with the optional C-matic transmission. Yet petrol consumption is quite extraordinarily low for such a big car. For example, you can confidently expect to achieve 30.7 mpg (9.21/100 km) at a constant 56 mph (90 km/h).*

SAFETY FIRST.

There are safety features in abundance. Fully-powered disc brakes always ensure full braking efficiency. Both front and rear ends are energy absorbing, helping to prevent damage reaching the rigid passenger compartment. In harness with its surefootedness, these features make the Familiale one of the safest cars ever seen on the roads of Britain.

A word of reliability. Underneath the Familiale's classic lines is a ruggedness of construction easily the equal of that found in its uglier competitors. Major services are only required every 10,000 miles. In addition, like every CX imported into Britain, the Familiale is given an extra thick underbody seal to keep the British climate out.

All in all, the Familiale is arguably the best family car you can buy. Because, with its uniquely flexible seating arrangement, it can take on any number of shapes and sizes. Just like families.



The unnecessary commission

BY COLIN JONES

tionary powers of the Price Commission by removing the profitability safeguards. Doing something about prices has been the automatic reaction of every government in the past decade and a half when they have Price Commission at all.

The case for having such an institution was summed up by Lord Cockfield, the Commission's first chairman from 1973 to 1977, in an article in The Three Banks Review last year. The two conclusions he said he had drawn from his experience of administering price controls were, first, they may be neces-sary when drastic measures are required but their main justification on such occasions is as the other half of a pay and prices policy and controls of that character cannot last long.

Secondly, there was a need "a permanent facility to protect the community at large in the field of pricing.... We suffer in this country from market domination, price leadership, parallel pricing, the lack of effective competition, unwillingness to compete on price . . and a cost-plus

developed further by Mr. Roy efficiency studies, even if the Hattersley, the Prices Secretary, Price Commission had acquired since he re-constituted the Price Commission on the lines of Lord Cockfield's "permanent facility" formal pay policies were drop-ped. First, the consumer needs ship with all levels of the an assurance "that prices are company concerned. not increased when there is no necessity for them to be increased." Secondly, we need "a surrogate for market forces" to encourage efficiency in areas where "the cold wind of com- tinction between industrial petition is not blowing very

These may seem persuasive words but they discount or ignore three cardinal points, about, estimate the extent to which competition prevails. It would of competition policy. The be charitable to overlook Mr. Government's use of prices Hattersley's choice of words in policy to further the political the second reading debate on his Bill last week when he said that valuable and important when it the Price Commission and the looks at prices in sectors that Monopolies Commission.

in black and white

BBC 1

9.10 am For Schools, Colleges.

12.45 pm News. 1.00 Pebble Mill. 1.45 Playboard. 2.00 You and

Me. 2.14 For Schools, Colleges.

3.25 Pobol Y Cwm. 3.53 Regional News for England (except Lon-

round. 5.10 Grange Hill.

5.40 News.

NO ONE should have been are less than perfectly competi-surprised by the Government's tive" (my italies). This no attempt to widen the discre-doubt was a slip of the tongue: "perfect competition" is a con-cept used only in the economic text-books of an earlier genera-

tion.
What is important is effective

competition. Measures of output concentration can mislead ever and a hair when they have thought it was politically necessary to be seen doing something or from near-substitutes is also taken into account. Dominant interesting question to consider firms, with substantial market is whether we need to have a power, are not necessarily in-Price Commission at all. efficient as many Monopolies Commission and one or two Price Commission reports have testified. Those who doubt the extent to which effective competition prevails should ask themselves why it was that most companies were unable to raise their prices to the levels the price code permitted in 1975-77. even though the average real return being made by industry was barely a third of the level of the '60s and only half of that of the early '70s.

Political whim

Secondly, is any body such as the Price Commission, which has completed 30 price investigations in 18 months, capable of achieving the tasks Mr. Hattersley has in mind? As experience of the Price Commission and the Monopolies Commission—and of similar activities by the Federal Cartel Office in Germany-have shown, there is room for more than one view Surrogate on what is a "just price" or a "just return" in differing sectors of industry. As for a record of percipience in this area, which it has signally failed to do, what counts is implementin 1977 when the Government's ing new ideas and that requires

Finally, promoting market pressure is the function of competition policy which already has its own galaxy of institutions. One cannot make a disstructure and industrial be haviour, as Mr. Hattersley tried to do last week. Structural solutions are not easy to bring three cardinal points about, especially in the they gravely under-nationalised sector, while rules about behaviour are at the heart whim of the moment can only weaken Mr. Hattersley's case for the Commission's work is most an eventual merger between

> 6.20 Nationwide. 6.55 The Osmonds (London and South-East only).
> 7.25 The Variety Club Awards.

(U.S.). 10.15 Harold Macmillan at 85 talks about the past and

the future. 10.55 Tonight. 14.35 On the Rocks.

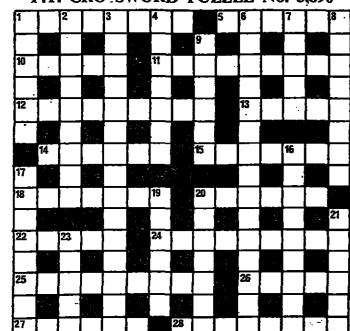
8.10 Blake's Seven.

12.00 Weather/Regional News.

All Regions as BBC I except at the following times:

don). 3.55 Play School. 4.20 Winsome Witch, 4.25 Jackanory Scotland—5.55 pm Reporting Scotland. 6.15-6.25 Party Political Writing Competition. 4.40 Star Turn. 5.00 John Craven's News-Broadcast by the Scottish National Party. 6.25 Join BBC 1 (Nationwide). 6.55-7.25 Songs of Scotland, 10.55-11.35 Tuesday

5.55 Nationwide (London and South-East only). F.T. CROSSWORD PUZZLE No. 3,890



1 Weapon giving two signs of acknowledgment (8)
5 Courage coming from liquor?

10 Fat order going to both ends of store (5)
11 Leaving some French art in pure setting (9)
12 Said wrongly soft fruit may

13 Backward college, note, but 14 Girl in bed doesn't make the grade (6) 15 Bacon fat with nothing on (7)

18 Carriage seen over and under 21 Fixed with close attention—the rails? (7) the rails? (7)
Professional reviewer gets 23 Essential inside if in the little credit before on muscular spasm (6)
Fish mentioned in Gospel

Arabs may be? (6)
23 Essential inside if in the plural (5)
SOLUTION TO PUZZLE
No. 3,889 20 Professional

muscular spasm (6) 22 Fish mentioned in Gospel verse (5)
24 Choice for southern poll (9)
25 Strained about four but unremitting (9)
26 Cross, if quiet, would be the

main robber (5) 27 A learner surrounded by blood—in abundance (6) 28 Attract attention in added

money (8) DOWN 1 Caught noisy youthleader?

It's not quite clear! (6)
2 Exaggerate like the American 3 Lazy business associate (8,7)

4 Strange people start taking scrap (7) 6 Comrades like Bonnie and Clyde (8, 2, 5) Stir up nothing in colour (5)

(S) Stereophonic broadcast
5.00 am As Radio 2. 6.00 Dave Lee
Travis. 9.00 Simon Batas. 11.31 Paul
Burnett. 2.00 pm Tony Bleckburn. 4.31
Kid Jensen. 7.00 The Meody Blues
Story. 8.00 Andy Peebles. 9.50 Nawsheat. 10.00 John Peel (S). 12.00-5.00 As
"adio 2. 8 Walking with teamleader to Berkshire town (8) 9 Split pairs left twisting (6) 16 Begin to speak with one drink inside (9) RADIO 2 17 Employing her within for attendance (8)

19 Erosion I caught in the country (6)
20 Girl and senior officer taking shelter to the north (?)

No. 3,889

#AVEON MARDANCE
O. E. R. D. C. I. O. I.
LARKABOUT SMIFT
D. A. L. T. R. C. S. M.
BUCK JAMESTOYCE
A. I. T. R. S. O. R.
CLOTHED SECOND
K. U. R. K. O. E.
ASTERN BEESWAX
A. E. S. R. Y. A. I.
BAMEKEPER BIAS
H. I. D. T. S. T. T.
ALLIM FROMTLIME
S. E. G. U. N. O. N. N.
THROSTLE SPIGOT RADIO 3
6.56 am Weether. 7.09 News. 7.05
Overture (S). 8.00 News. 8.05 Moming Concert (S). 9.00 News. 8.05 Moming Concert (S). 9.00 News. 9.05 This
Week's Comeoser: Boyce (S). 9.35
Plano Doo /S). 10.20 BBC Singers at
Dorby, part 1 (S). 11.10 in Short (raik).
11.15 BBC Singers. part 2 (S). 12.10
Certiff Midday Prom. part 1 (S). 1.00
News. 1.05 The Arts Worldwide. 1.20
Certiff Midday Prom. part 2 (S). 2.05
Music at St. George's. Bristol (S). 9.05
Music at St. George's. Bristol (S). 9.06
Numet of Winds (S). 3.40 Plano
Recital (S). 4.30 Brahms on record (S).
F.15 Jazz Today (S). 5.45 Homeward
Bound (S) (\$ frem 8.05). \$6.30 News.
\$6.35 At Home: Schnebel plays Reethoven. 7.30 John Jenvins (S), 8.00 Am
Elgar Concert (S) part 1. 8.40 The
Representative Man — Schlesinger's 1 RADIO 3

How to choose a tape recorder

THERE WAS a certain irony just happened to find one on relatively unimportant, irrelelast week when I took to lunch
the shelf tucked away in a far vant and possibly even misleadproduced on recordings due to other frequencies. Most specification of the shelf tucked away in a far vant and possibly even misleadproduced on recordings due to other frequencies. Most specification of the shelf tucked away in a far vant and possibly even misleadproduced on recordings due to other frequencies. Most specification of the shelf tucked away in a far vant and possibly even misleadproduced on recordings due to other frequencies. Most specification of the shelf tucked away in a far vant and possibly even misleadproduced on recordings due to other frequencies. Most specification of the shelf tucked away in a far vant and possibly even misleadproduced on recordings due to other frequencies. Most specification of the shelf tucked away in a far vant and possibly even misleadproduced on recordings due to other frequencies. Most specification of the shelf tucked away in a far vant and possibly even misleadproduced on recordings due to other frequencies. Most specification of the shelf tucked away in a far vant and possibly even misleadproduced on recordings due to other frequencies. Most specification of the shelf tucked away in a far vant and possibly even misleadproduced on recordings due to other frequencies. the director of the Consumers' Association—overlords of the Good Food Guide. It wasn't the sudden panic that overwhelmed me when for a split second I thought that my club's head chef was off duty or the silence that seemed to envelop the dining room when the waiter discover, but it is difficult even to find shop assistants who understand what you mean. handed me the wine list to choose. It was later, when I began to call in the hi fi shops The sensitivity and characterto make a hasty purchase of a

istics of the microphone are important. A microphone and tape recorder with low sensiportable audio-cassette recorder (to replace an old one) which was needed for interviews this tivity, adequate perhaps for close-to-the-mouth dictation, is week in New York.

Jiseless for recording a board
What, I wondered, would the room discussion; and some director of the Consumers' Assomicrophones are very direcciation have said if he could have heard the responses from shop assistants in my quest for a new tape recorder? I went only into the yery largest hi fi shops where choice is extensive audible. Recorders with built-in microand, it is hoped, some experi-ence resides behind the

phones should be tested too. for any tendency to pick up the motor noise of the recorder a recorder has no jack socket ask to hear a recording played for an alternative microphone, back on larger equipment. the usefulness of the recorder is greatly limited.

travelling overseas, this can pose real problems.

Chase on the first day of the

RACING

BY DOMINIC WIGAN

throughout England because of

LONDON

9.30 am Schools Programmes.

12.00 Issi Nobo. 12.10 pm Stepping Stones. 12.30 The Cedar Tree. 1.00 News, plus FT Index. 1.20

Thames News. 1.30 Crown Court.

2.00 After Noon Plus. 2.25 Tues-day Matimee: "Sunflower"

starring Sophia Loren. 4.20 Michael Bentine's Potty Time.

4.45 Magpie. 5.15 Emmerdale

6.35 Crossroads. 7.00 Give Us A Clue.

19.30 Once In A Lifetime.

except at the following times:

†1.20 pm Border News. 2.00 House-party. 2.25 Reffles. 3.20 Bygones. 3.50 Uniamed World. 5.15 Out of Town. 6.00 Lookaround Tuesday. 6.25 Party Politi-cal Brondcast by SNP. 7.00 Emmardale

CHANNEL

12.10 am Close: Xanthi Gardner

7.30 Charlie's Angels.

8.30 Room Service.

9.00 Strangers.

1115 Lou Grant

of their horses.

Farm,

5.45 News.

6.25 Help!

6.00 Thames At 6.

With little work possible

ing. As long as it does its job Questions I asked are applicadequately for monitoring itself. Invariably there will be quency in numerically identical able to most tape recorders, and speech, if higher quality is later some residual hum, and the units of hertz (and kilohertz) able to most tape recorders, and reasonable ones for the discerning buyer to pose. It soon becomes clear however that not only are the answers hard to discover, but it is difficult even discover, but it is difficult even discover.

itself. Invariably there will be expensive to build high quality, power that the equipment can high power replay into a small bandle is—as a ratio in decibels

FILM AND VIDEO

BY JOHN CHITTOCK

microphones are very unter-tional: excellent for picking out recorder as well as high quality to the inherent noise of the specific sounds without other recording: the two functions equipment—at least of that distracting noises, but embarage, to some extent, independent value; and 40dB is a generally distracting noises, but embar-rassing round the table if the chairman's end is always in-ceivable but unlikely that a receivable but unlikely that a recorder with poor quality replay has had the quality built in at the point where it matters most -on the recording side. The itself. In the unlikely event that subjective way to test this is to

The manufacturers' specification ought to offer some clues Battery life may be important as well, but is frequently miswith a pocket recorder because leading (and in most of the some machines will only run shops I visited, couldn't be found for two hours on one set. When except when I persuaded travelling overseas, this can assistants to open a new machine in its packing).

The replay quality of a pocket Signal-to-noise ratio on the recorder should be regarded as specification is a measurement

accepted minimum norm.

Frequency response on the poor signal-to-noise ratio. specification is of little impor-

cations nowadays express frequency in numerically identical and cycles per second are a symptom of old age.

When buying a larger tape recorder, other considerations become important, especially where quality of reproduction is a high priority. Cassetted tape is not the ideal medium for hi fi recording and reproduction tion because the tape speed is slow (II inches per second) yielding lower frequency response; and its narrow width (I inch) means that less area of tape is available for the re-cording, so that its strength will be lower relative to the inherent unwanted noise produced by the grain of the tape particles and

The larger i inch tape retance where only speech is being corders, operating at 31 inches recorded. A range of no more per second, or more, are therethan 200 to 5,000 cycles per fore first choice where optimum second will yield quite satisfaction quality is required. In this quest, tory results, but music needs at other specifications which may least 50 to 8,000 for modern be important include separate ears. Few if any manufacturers output socket for connection to admit to figures worse than the 2 hi fi amplifier (the built-in latter these days, but if they are 'amplifier on a tape recorder is not expressed in relation to a rarely so good), a switch or bias decibel measurement (say plus control to cope with different or minus two decibels) of the types of tape coating (at least presents of removes through for chronic and ferric tapes evenness of response through in an ideal world, the out the range, they are possibly characteristics of the recorder meaningless: a response up to circuitry should be matched to 20,000 is of little use if its power the type of tape used); and

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QUARREL IV Thomas Middletos and William Rowley
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7.45. Tomas 3.00 & 7.45 THE
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UPSIDE COWN by Kelth Downbrat from
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a meter rather than by flashy but crude illuminated devices (over-modulation of a recording causes distortion, under-modulation weakens the signal and leads to a poor signal-to-noise

ratio). Wow and flutter mystify the lay user but should be virtually lay user but should be virtually absent in quality recorders. Those are both conditions caused by very slight unevenness in the speed of the tape: waw is a slow, cyclical variation in the pitch of the musicalike a distorted record; flutter aptly describes itself, afflicting high frequency sustained notes-such as violins — with a fluttering variation in pitch. It is relatively easy to test for these faults by playing a tape with both low and high frequency notes of a steady and sustained character.

My own search continues after this last paragraph is written. With more untrained shop assistance to confront, I shall finish the day with a severe attack of the wows and flutters. But one final word of advice. Even though I was paying for the lunch with the Consumers' Association, for the inexperienced audiophile it has to be said that their publication. Which? magazine, is a frequent source of sound advice on the subject of tape recorders (available from 1, Caxton Hill, Heriford SG13 7LZ).

Border Incident heads for the seaside

in their boxes or being sent well at Fairyhouse and Haydock back on the long haul North he will reappear 12 days after on Saturday afternoon, one of the Embassy race in Chelten-Ireland's most successful ham's Two-Mile Champion young trainers, Jim Dreaper, was reshaping his plans for festival meeting. Ballyross.

reek in New York.

"I wish to buy a compact-

cassette portable tape recorder

-small enough for a coat

pocket, adequate to record a

number of people seated round

a table. Which one would you

The answers ranged from the

imbecilic (" I only work here")

to the dishonest—the man who did not recommend the Sony.

and coincidentally didn't have

one in stock; but he later agreed it was very good because he

counters.

recommend?"

The Cantab gelding, thought by his handler to be a Piper Champagne Gold Cup proposition before Saturday, had just proved, in Leopardstown's Kilternan Chase, that the two-anda-half miles of the Irish event is almost certainly his optimum

trip.
For that reason Ballyross will be re-routed for a similar event at Fairyhouse in two weeks' time, before being shipped across the Irish Sea for Haydock's rearranged Embassy Chase final

He gave runner-up Tarques-Night, 12.00 News and Weather for Scotland.

Wales-10,00-10.20 am and 2.32-2.37 pm I Ysgolion. 5.55-6.20 Wales Today. 6.55 Tom and Jerry. 7.00 Heddiw. 7.30 Pobol Y Cwm. 8.00-9.00 Welsh Sports 9.00 News.
9.25 Boxing: Alan Minter Y Cwm. 8.00-9.00 Welsh Sports
(GB) v Rudy Robles Personality of 1978 Award, live from Cardiff. 11.35 Dechrau Siarad. 12.00 The Variety Club 12.45 am News and Awards. Weather for Wales.

Northern Ireland-3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.55-7.25 Make Mine Country. 12.00 News and Weather for Northern Ireland

England-5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle): Midlands Today (Birmingham): Points West (Bristol); South To-day (Southampton); Spotlight South West (Plymouth), 6.55-7.25 East (Norwich) Daly On a Tuesday: Midlands (Birmingham)
Look! Hear!; North (Leeds) The

Object In Question: North East (Newcastle) Looks Natural; North West (Manchester) A Grand Sing—The Sing-Off; South (Southampton) Hey Look That's Me!; South West (Plymouth) Peninsula; West (Bristol) Sports Show.

BBC 2

10.30 am Worktalk 11.00 Play School. 2.30 pm The Business World. 3.00 Crime Writers.

3.30 The Living City. 4.00 Conversazioni 4.50 Open University

6.55 Two Off the Cuff. 7.05 The Fishing Race. 7.30 Mid-Evening News. 7.40 The Master Game Trophy

Chess Tournament. 8.10 Life on Earth. 9.05 Call My Bluff. 9.35 Man Alive. 10.25 Sacha Distel and Guests. 11.10 Late News.

mentaries et Previsions Meteorologiques.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian Naws Headlines. 2.25 Tuesday Matines: "Yangste Incident" sterring Richard Todd. 5.15 Mr. and Mrs. 6.00 Grampian Today. 8.05 Country Focus. 7.30 A Tale of Two Cities. 11.15 Our People. 11.65 Reflections. 11.50 Sounds of ... 12.05 am Grampian Lete Night Headlines. 11.25 Darts: Embassy World Professional Champion-BBC 2 Scotland only-6.55-7.05 pm A Party Political Broadcast by the Scottish National Party. Headlines.

RADIO 2
5.00 am News Summary. 5.02 David Allan (S). 7.32 Terry Wogan (S) Including 8.27 Recing Bulletin, and 8.45 Pause for Thours. 10 03 Jimmy Young 15 pm Waggoners Welk. 12 70 Pete Murray. Oren House(S). 2.30 David Hamilton (S). 4.30 Waggoners. 10 David Hamilton (S). 4.30 Waggoners. 10 David Hamilton (S). 4.30 Waggoners. 10 David Hamilton (S). 4.45 Sports Desk. 7.02 On the Third Res. (S). 730 Folk. 79 10 Peter 1

WHILE INTENDED Sandown tral 13 lbs and a 15-length day with his Gold Cup prosrunners were either remaining beating on Saturday. If all goes pect. He has not sent animals to work there in the past but feels confident that the trip from Lambourn will prove worthwhile. Provided that he can get

Border Incident reasonably race fit, the Fairlawne Chase at Windsor on February 21 will be that gelding's target before his tilt at the Gold Cup.

Border Incident undoubtedly has the talent to win at Cheltenham. Head is hoping that Uncle Bing will be able to take his chance in the Grand frost on the gallops a number National. Uncle Bing, injured trainers are looking to in the King George VI Chase, swimming and the seaside sands is slowly returning to form as foundation for preparation.

Applications for admissions for admission f

. Applications for admission to the Royal Ascot enclosure Richard Head, whose out- should be made to Her standing though injury prone Majesty's Representative, Ascot Border Incident has not run for Office, St. James's Palace, over 16 months, plans a trip London SWI before the end of to Weston-Super-Mare on Satur-April.

GRANADA

1.20 pm This is Your Right. 2.25
Rattles. 3.20 Out of Town. 3.50 You're
Only Young Twice. 5.10 What's New.
5.15 Crossroads. 6.00 Granada Reports.
6.30 Emmerdale Farm. 7.00 University
Challence. 11.15 Our People. 11.45 HTV

1.20 pm Report West Headlines. 2.00
The Regions Report. 12.30 The Tuesday
Matinee: "Hell Drivers." 5.15 Melotoons. 5.20 Crosmads. 6.00 Report
West. 6.15 Report Wales. 6.30 Country
Comes West. 7.00 Mr. and Mrs. 7.30
Charlie's Angels. 11.15 Our People.
HTV Cymru/Wales—As HTV General
Service except: 1.20-1.25 pm Penswadu
Newyddion y Dydd. 10.30 Bywyd. 11.15
World in Action. 11.45-12.15 am Mind
Your Language.
HTV West—As HTV General Service
except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West

SCOTTISH 10.00 News.

10.30 Once In A Lifetime.

11.15 Lou Grant.

12.10 am Close: Xanthi Gardner reads from "The Prophet" by Khalil Gibrau.

All IBA Regions as London

Except 21 the following times:

12.5 pm News and Road and Weather.

2.5 Family. 3.20 Regions Report. 3.50 Out of Town. 5.15 Cartoon. 5.20 Crossroads. 6.00 Scotland Today. 6.25 Party Political Broadcast on Behall of the Scotland Party. 6.25 Party Political Broadcast on Behall of the Sco SOUTHERN

1.25 pm Anglis News. 2.00 Houseparty. 2.25 Raffles. 3.20 Out of Town. 5.25 The Entertainers. 5.75 Emmerdale Farm. 6.00 About Anglis. 7.00 Bygenes. 11.15 Our People. 11.45 Police Surgeon. 12.15 am Christiens in Action.

ATV

1.20 pm ATV Newsdesk. 2.25 The Tuesday Movie: "Kise the Girls and Make them Die." 5.15 Mr. and Mrs. 6.00 ATV Today. 7.00 Emmerdale Farm. 11.15 Butlin's Grand Masters Championship. 11.50 Something Different.

BORDER

11.20 pm Berder News. 2.00 Houseparty. 2.25 Raffles. 3.20 Promities. 3.50 Bailey's Bird. 5.15 You Can Make It. 6.00 Northern Life. 7.00 Emmerdale Farm. 11.15 Our People. 11.30 Our People. 12.00 Epiloguo.

3.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 2.25 Raffles. 3.20 Frontier. 3.50 Balley's Bird. 5.15 You Can Make It. 6.00 Northern Life. 7.00 Emmerdale Farm. 11.30 Our People. 12.00 Epiloguo. 1.20 pm Lunchime. 2.00 Regions Report. 2.30 Tuesday Matinee: "Hell Drivers." 4.18 Ulster News Headlines. 5.15 Centoon. 5.20 Crossroads. 6.00 Good Evening Ulster. 7.00 Emmerdals Ferm. 71.15 Bedulme.

1.18 pm Channel Lunchtime News and What's on Where. 2.25 Raffles. 3.20 The Practice. 5.15 Mr. and Mrs. 6.00 Report at Six. 7.00 Treasure Hunt. 10.20 Channel Late News. 11.15 Our People. 11.45 Pelice Surgeon. 12.18 are Commentaries at Prayisions Metaprologiques. WESTWARD . WEST WAKE

1.27 pm Gus Honeybun's Birthdays.
1.20 Westward News Headlines. 2.25
Faiffles. 3.20 The Practice. 3.50 Yours
Only Young Twice. 5.15 Mr. and Mrs.
8.00 Westward Disry. 7.00 Treasure
Hunt. 10.28 Westward Late News. 11.35
Our People. 11.45 Police Surgeon. 12.10
am Faith for Life. 12.15 West Country
Weather and Shipping Forecast.

YORKSHIRE 1.20 pm Calendar News, 2.26 Rafiles.
20 Calendar Tuesday, 3.50 The Entertainers. 5.15 Doctor on the Go. 6.00
Calendar (Emley Moor and Balmont
editions). 7.50 Emmerdale. Farm. 11.15
Our People.

Radio Wavelengths 1053kHz/289m 1089kHz/275m

BBC Radio London: 1458kHz, 206m & 96.9vid 3 1215kHz/247m & 95-92.5vhi stereo 2 643kHz/433cm 909kHz/330cm & 88-11visi steres

RADIO 4

6.00 a.m. News Briefing. 6.16 Ferming Today. 6.25 Shipping forecast. 6.30 Today, Magazna. including 6.45 Prayer for the Day. 7.90. 8.00 Today's News. 7.30, 8.30 News headlines, 7.45 Thought for the Day. 9.35 Yosterday in Parliement. 9.0 News. 9.5 Tuesday Call. 10.00 News. 10.5 Local Time. 10.30 Daily Service. 10.45 Morning Story. 11.00 Thirty-Minuta Theatre. 11.30 Strangs Places and Faces. 11.45 Listen with Morher. 12.00 News. 10.20 p.m. You and Yours. 12.20 Desert Island Discs. 12.55 Weather. Programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.10 Ouestions to the Prime Minister. 3.55 Fame is the Spur (S). 6.30 Announcements. 4.35 Story Time. 5.00 PM: News. 6.30 Just a Minister (S). 7.00 News. 7.05 The Archers. 7.20 File on 4, 2.00 The Countryside in Winter. 8.45 Science Now. 9.30 Kaleidoscope. 9.59 Weather. RADIO 4

Capital Radio; 1548kHz, 194m & 95.2vh? Bobby Kennedy (talk by Esmand Wright). 9.00 An Elgar Concert, part 2 (S). 10.10 Schizophrenic Journey by Frank Sugg. 11.00 New Vieona String Tric (S). 11.56-12.0 News. VHF only—6.05-7.30 p.m. Open University.

10.00 The World Tonight 10.30 Year've Got To Be Joking (S). 11.00 A Book Ax Bedtims. 11.15 The Finencial World Tonight. 11.30 Today in Parliement. 2.00 News.

BBC Radio London

5.00 a.m. As Radio 2. 6.30 Rush Hour.
5.00 London Live. 12.03 pm Call in. 2.03
705 Showcase. 4.03 Home Run. 6.16.
Look, Stop. Listen. 7.30 Slack Londoners. 8.30 All. That Jazz. 10.03 Late
Night London. 12.00 As Radio 2. London Broadcasting
5.00 am Morning Music. 6.00 AM:
News, Information. Travel. Sport. 10.00
Brian Hayes Show. 1.00 pm LBC
Reports. 3.00 George Gale. 4.00 LBC
Reports (continues). 8.00 After Eight.
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THE ARTS

Sherman Theatre, Cardiff

Offenbach double bill

by MAX LOPPERT

The Welsh National Opera has dug into the vast and for the most part little-known treasure chest of Offenbach one-act comic operas, and come up with La Chanson de Fortunio and M. Chousteury restera chez lui. These, in productions and new translations by Michael Geliot, form the sparkling double bill that was toured through Wales recently before arriving in Car-diff for two performances last

Both works date from 1861, Offenbach's reign at the Bouffes-Parisiens, for which they were written (the Welsh National programme gets this wrong), was then at its peak, and his fount of musical invention was gushing out without stint. The song of Fortunio is a charming decoction, by Halevy and Cremieux, the composer's regular librettists, of a Musset play, Le Chandelier, for whose Comedie-Française production some years earlier Offenbach had supplied the song of the title. The plot, light but fertile, confronts crabbed, suspicious middle age with the joys of fresh young love in a way that provides opportunities both for comedy and for a supply of memorable melody with a tinge of melancholy.
In Monsieur Colli-Flahr's At

Home, as the second becomes, the cutting edge of the social-satirising Offenbach is more sharply felt. The subject was suggested by the Duc de Morny. the Emperor's half-brother — officially, the libretto was by St. Remy (Morny's pseudonym), Halevy, and others. A success ful businessman intent on pushing his way up the social ladder parody of Italian opera (Mr. without much experience of the of 1833 has invited to his very first soirée the cream of nobless from Norma di Neuth) in appreciated.



lity and, as performers, Sontag, the composer's most brilliant Rubini, and Tamburini. The and exuberant vein—the music of persuasion that Offenbach stratagems that have to be is at once good pseudo-Bellini was one of the geniuses of 19th-applied when the singers are and a delicious mockery of it, century opera, a trip to Leicester

If there is anyone still in need

for the company's forthcoming appearances there (20 and 21 mastery of mood-receive their most concise expression. It is high time the record companies put a few more into circulation.

of Offenbach Michael Geliot's lately at the Midland Group particular skills would appear to be singularly well matched. There is about his Monsieur upon the two other shows of particular skills would appear to be singularly well matched. There is about his Monsieur upon the two other shows of Colli-Flahr, with its broadly undertaken social satire, cracks undertaken social satire, cracks under the University's Whitworth Gallery under the University's Whitworth Gallery a small but very bursts of farce, a tone of some-times scabrous earthiness that, while it may not tell us the whole story of Offenbach, strikes to the root of the unsettling and disturbing quality in his headiest inventions. The casting, without weakness, offers several members of the WNO Chorale attractive chances for character roles; the spoken dialogue has been polished with commendable (and unusual) precision. Julian Moyle, Meryl Drower, and Mark Hamilton in the leading baritone, soprano, and tenor parts of both pieces give bright performances—Miss Drower's previous waif appearances had not prepared me for the neatness of her comic play-ing. (Mr. Hamilton's role of Valentin in Fortunio belonged originally to a soprano en travesti; but as the Bouffes-Parisiens practice in these matters was evidently flexible, one can hardly complain of its reassignment.) Zestful orches-tral playing from a small ensemble under Julian Smith completed the pleasures of a happy evening.

Kenwood House

spring and summertime list of

Art Gallery Review

Silver, Dante and wood

by WILLIAM PACKER

February) should prove a voyage of instruction as well as of entertainment of entertainment. Indeed, in the best of the one-acters, his but now, at last, the holidays special features—the comic appear to be over, and this past unfailing sense of instrumental colour, the shapeliness of dramatic and musical form, the mastery of mood—received. occupy several portmanteau reviews. Not all of them are in London: an excellent comprehensive retrospective of David Hockney's career as a print-To the robustly anarchic side | maker, for example, has opened

> has sprung a small but very special treat. "Treasures from Chatsworth" is the admirably exact title of the current show (until March 10), for the Duke of Devonshire, Chancellor of the University, continuing his long association with its gallery, has made available from his collections a number of exceedingly choice items that are rarely, if at all, on general display; and treasures so many of these things most certainly are.

One or two modern works start us off. notably small single portraits of the Duke himself and his Duchess by Lucian Freud, and there is, quite literally, a handful of fine miniatures, that by Richard Cosway, with its accompanying souff-box, of that great eighteenth century beauty, Lady Georgiana Spencer, especially seductive. There are, too, some splendid rings, and some equally splendid guns, English flintlocks, and a brace of French duelling pistols.

The New Year in the art things notwithstanding, the emphasis of the show is placed firmly, unavoidably, upon the magnificent array of plate, the silver and the gilt, candelabra. cups, ewers, services, pilgrim bottles: extra-ordinary and extravagant objects.

The show does well to be so small and so well-chosen, for it is rich stuff and almost too much for the timid modern palate, shockingly decorative, exuberantly inventive, informed by the small properties. true sculptural wit and control that we must clear our eyes to see. The effort is worth making.

Back to London and to some-thing very different: Tom Phillips is showing his recent work (at Marlborough until February 27), his first major show in London for some time, and very curious it is. His main preoccupation in this time would seem to have been with Dante, out of which have come a large number of drawings of him in his study, with prepara-tory drawings, after the painting by Signorelli, and a very odd painting indeed that Phillips himself describes as a "galli-maufrey or hodge-podge" of imagery and recondite refer-

He provides for our benefit a lengthy explanation of this particular work, for its nature is essentially literary, and its subtleties demand decoding. Phillips take infinite pains over his work, and would rather they did not pass unnoticed. The pity is that his concern with his own earnest endeavours and exemplary intelligence should all complete in its fitted lead so many of his admirers, mahogany case. But, these fine of which indeed there are a



Drawing of the Head of Dante, by Tom Phillips

great many, to equate these Phillips' "Signorellis" are insimple qualities with great visual gifts. They are reassured escapable. by the hard work, and the Finally, at Anthony Stokes

cleverness of it all; he cannot resist the temptation to spell in Langley Court (until March 3), Nicholas Pope, one of the very best of our younger sculp-tors, is showing a batch of his things out-he never could. . The best works in this show are the simplest, the most direct, the least self-conscious. Phillips most recent work, half a dozen or so disarmingly simple piles not known for his lightness or towers of natural wooden of touch or technical finesse; yet the signs are here that, should he step aside from the dominant and determining problocks. Pope's is an ironical approach, the simplicity of his statement and the apparently raw condition of his materials grammes by which, so far, he has restricted and justified his work, a somewhat more natural artist might emerge. The belying his innate sense of craft, his command of order and structure, and the essential refinement of his sensibility, his portrait he shows, for example, of Mrs. Cargill, is still fussy and inhibited in its execution, dandyism. Here he heaps up his timber, block on block, almost as a child plays with yet far less mannered than his bricks, but leaving little to chance, for should they all crash down, as we fear they previous essays in the genre. And the bank of drawings of the head of Dante contains some might, that would be no accifresh and lively images, enough The wonkiness is nicely to make us wish that Phillips judged, the asymmetry exact, the would sit in front of the model placement certain; and from it all comes a play with form and and draw for its own sake, not to show us how clever he is, mass, as the concealed planes but to find out just how good dance against those facets that he might be. Best of all is the are, revealed, and a monumencalendar of the year, a large pastel for each month, that tal presence, that are most imnone and is given little, gloss. By contrast the crude- very own, and very gifted white-

Paris opera—1

eronique by MAX LOPPERT

once more. Not, it is true, as in most exhilarating French former days, when there was operatic entertainment, not to the great traditions of the Opéra-Comique are clearly being invoked. Werther and Le Médecin molgré lui (noticed in these columns) recently given, Philidor's Tom Jones and Hahn's Le Marchand de Venise still to come; anyone sensible of the significance in the history of opera of this great house must rejoice that at last, after all the "internationalisation" in the revival of Paris operatic life of the 70s, the city's own most important contribution is at last being thus respected and

The third opera production of the season was André himself responsive to the subtle Messager's Véronique. The work inner workings of the music is not closely associated with If it is still a little hard to agree the house (its premiere in 1898 with Martin Cooper that Mesthe house (its premiere in 1898 with Martin Cooper that Mes-was at the Bouffes-Parisiens, sager "raised French operetta and prior to last month's run it to an entirely new musical had been played only once, in level," after such a perform-1925, at the Salie Favart); but ance one can see what he its composer was one of the most illustrious musicians to undertaken its musical director- Laurent ship (1898-1903) and later its with the exquisitely pretty chief conductorship (1919-20). designs, a bell: époque view Messager's conducting career of the 1840s as recreated was distinguished in so many ways and his grounding at the Ecole Niedermeyer as pupil of both Saint-Saëns and Faure had been so thorough, that the predominantly light character of his own large corpus of stage works comes as something of a

Véronique, for many years his most popular work on both sides of the Channel, is a bland tale plicity-except that with the of aristocrats temporarily disguised as flower-shop assistants, troupe of dancers, the knowing set in the Paris of Louis-Philippe. Though there can be effect would have irritated more patronising undercurrents, on stylishly contrived, though in the surface the plot unfolds the third act a pas de quatre neatly, with pretty good humour simultaneous with the confrontaand sentiment, and with un-tion scene of Helène-Veronique interrupted mildness. It is and Florestan was a bit hard to tempting to describe the music take.

posed by Mendelssohn, if one can imagine his reincarnation

poser of Parisian opéra-comique. Yet, in common with the Mendelssohn of, say, the Songs without Words, there is more to Messager than at first may meet the score-reading eye. In both, a quantity of lyrical sweetness, underpinned and restrained by nice taste in harmonic progression, is there to be divined by the skilled performer. Such a performer was the conductor of this revival, Pierre Dervaux. who, while maintaining the pace with admirable verve, showed

The production by Jean-Cochet was graced for 1979 tastes, of François de la Mothe (sets) and Rosine Delamere (costumes)—this is a team who can lay on a full palette of colours without the indigestibly overcrowded results all too common in British operetta stagings. Mr. Corhet handled the situations and the cast with an apt combination of knowing art-fulness and affectionate simnear-constant participation of 2 some distastefully seriously had it not been so

The Opera-Comique is active infectious catchiness of the by the bright young talents and former days, when there was repertory opera most nights of the week; but with at least a substantial season of opera and ballet to bring life to the Salle Favart. Except on posters, the Salle Favart remains its current official designation, yet in the choice of programme for 1978-79 the great traditions of the tion of high half a century later as a com-

good looks of Danièle Chlostawa (Hélène) and François le Roux sary on the Opéra-Comique stage not far off, was an ebulli-Coquenard, florist, elect of the Garde nationale, and bourgeois (how much more sharply Offenbach would have characterised him!). The spoken dialogue, trimmed down but still plentiful, was handled with the liveliness that seems to come natur-

ally to French singers.

spirits as There are many ways of divi-ding and ordering the sonatas, and each way has it virtues. For this cycle, Woodward has chosen to give them chrono-logically, keeping all of the early opus sets together in each

Bryars & White

by NICHOLAS KENYON

without the grace; Cage without the silence; Rakhmaninov without the tunes : the recent music of Gavin Bryars and John White is all this, and less. From the extravagant disclocations of the classics in Bryars' work with the Portsmouth Sinfonia, and from the "machines" of Whites system pieces (like the Drinking and Hooting Machine) the two composers seem to have converged on a, dream-like, jumbled, toy-town idiom in which half-remembered echoes of the past flit by the listener's ear, barely disturbing the naively lop-sided constructs of the composers.

The composers perform, on tuba and piano or two pianos, assisted by Dave Smith. Their salon music, Percy Grainger, Lord Berners and a sprinkling of jazz. In John White's series of Piano Duets the composer aimed not to use "pastiche or meaningless—but oddly touch—of the weekend—the slow move—at very attractive cast was led condescension"; an apter ing, puzzling and engaging.

Satie without the wit; Ravel phrase is one he used of a piece several years ago; "the possi-bility of happily indulged sentimentality." These are doodles built on memories, fey but constantly ear-tickling. Basingstoke is the word used in Ruddigore to prevent Mad Margaret from slipping back into her madness: perhaps that was the only point of this four-movement tuba-andpiano piece a bastion of whimsicality against the impossible demands of "serious" art.

Bryars' pieces were more clever, especially Out of Zaleshi's Gazebo, piano music stuck in hypnotic repeated grooves until a cadence of Graingeresque inanity clicks us suddenly back into time and into the next groove; and the new My First Homage, a beautiassisted by Dave Smith. Their ful cloud of atmospheric even at their most misguided current preoccupations are nothingness, like a pretty made clear: late 19th-century mobile puffed gently by the argued or modified, never wind, coming to rest, starting again, coming to rest, occasionally glimpsing someone else's The great D major sonata op 10 music. Aimless, spineless, even No. 3 was one of the high points

recitals and concerts, Kenwood straight from cold into the first House have for the first time ten squatas on two consecutive this year mounted a winter evenings is no small task—there this year mounted a winter evenings is no small task—there cycle in the Orangery: eight is no music in the whole of the recitals, taking in all of the 32 piano literature more fiercely piano sonatas of Beethoven, on demanding of the closest focus, every Saturday and Sunday or more perilously exposed, evening this month.

He began on Saturday evenThe pianist is Roger Wood- ing with uncharacteristic

Beethoven cycle

by DOMINIC GILL

The planist is Roger Wood- ing with the acoustic, testings of the air. By Op. 10 No. 3 he had relaxed, and got the measure of the music and the hall (and the piano lid had sensibly been raised from half to full-stick). There were fine things in the C major sonata: a tough, brilliant resonance; much quick and subtle voice-leading; and in the adagio some weird and tricky half-pedalling, odd but none the less striking effect. settled, Woodward

warmed to his undertaking with vigour and spirit. He is clearly determined that the ride shall not be smooth. From op. 7 to the last of op. 14 on Sunday evening, he kept his audience on its toes-no chance at Kenwood this month to turn for a moment from the music to the nictures on the wall—with a fascinating, maddening see-saw brilliant inspiration and doubtful, risky interpretation. But no regrets: musicians who take their life into their hands are ever more to be reckoned with than musicians who serve up at every appearance the same, safe routine. We may know Beethoven's sonatas well (and often less well than we think): but they are still today an adventure. The quirks of Woodward's performances, some penetrating, some outrageous, were not flippancies idly pro-posed—but serious possibilities,

lightly dismissed.
There were notable successes.

In addition to their regular of the first four programmes. It dramatic presence, the minuet was a brave decision: to launch swayed with a lovely vocal lilt, the finale a splendid tour de force, light and fluent, glimmering with fire. At a slightly slower tempo, the opening presto would have made a still stronger effect — here, and throughout the two recitals, there was an unbalancing tenuncharacteristic dency to take a presto or a con ward, whose often commanding, reticence, and understandable brio or an alla breve wherever sometimes erratic, ways with nervousness. Both the F minor they occurred too fast to for-Beethoven are by now well and the A major sonatas of Op. get the fundamental principle known to London audiences. 2 emerged as little more than that the listener's perception of opening flourishes, experiments a tempo is governed more by cunning manipulation of rhythm and rhythmic emphasis, and by touch and timbre, than by actual metronomic speed.

The first movement of the

Pathétique Op. 13 was also

neeas

ness and

blurred by a speedway tempo: the allegro alla breve marking is admittedly di molto e con brio, but Woodward's whirlwind impetus took too much im-portant detail with it over the edge. And to play the accompariment to the slow movement melody staccatissimo may be just on the right side of good taste; but to play the melody at the same time allegretto instead of adagio sounds to my ears not only wrong, but actually over the borderline with kitsch. The Pathetique was provocative. But Woodward's E major and G major sonatas Op...14 were both of them, by contrast, models of good manners and close lyrical focus, sweetly sung, beautifully shaped—the andante and finale of the G major in particular done with marvellous wit and style. It will not be a smooth cycle: but it will never be dull, and the rewards, I suspect, could also be great.

The Haydn Society A new Haydn Society has been formed in association with the music department of Lancaster University. Its principal aims will be to promote a wider knowledge and understanding of the music of Joseph Haydn and his contemporaries.

Its opening event will be an inaugural concert at St. John's Smith Square, London, on ment a true large of marvellous Haydn-The Early Years.

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Tuesday February 6 1979.

A success for Mr. Deng

THE U.S. VISIT by Mr. Deng Chinas should not be forcibly Xiaoping, the Chinese Vice- reunited may be inevitable for Premier, which ended yesterday, political reasons. The Adminishas gone just about as well as both the American and Chinese authorities could have hoped. For Mr. Deng himself, it has been a considerable personal success. He has gained considerable exposure for his Govern-ment's policies and is generally thought to have behaved impeccably during his official appearances. Insofar as the trip was intended to be an exercise in public relations, it has achieved its objectives.

Broadside

At the same time Mr. Deng has managed to inform the U.S. public directly of his Government's well-known views about the Soviet military threat without overly embarrassing his American hosts. His first broadside, an interview with Time magazine in which he described the Soviet Union as the "true hothed of war." was tactfully fired from Peking before he ever set foot on American soil. During the visit his tone varied from day to day, but he said little that he had not said before and in some cases appeared more moderate than the past, declining, for example, to raise with President Carter the idea of an alliance between the West, China and Japan against Moscow.

Progress

For President' Carter, the visit has served the useful purpose of confirming that it is only extreme conservatives who have strong feelings against his decision to normalise relations with Peking. The feared largedemonstrations opponents of the policy against Mr. Deng failed to materialise. It has not been a triumph for the President comparable to the Camp David Middle East peace negotiations. But at least nothing went seriously wrong.

On specific issues, progress appears to have been made both on Talwan and on prospects for the U.S. offering China Most Favoured Nation status-a move mitment not to invade Taiwan

tration, too, which has been against such a resolution now seems more inclined to accept it, provided it is couched in moderate language.

Reassurances

Mr. Deng appears to have given sufficient reassurances about China's emigration policies-a Congressional precondition for Most Favoured Nation treatment-to improve the chances of a decision to confer MFN in the not-too-distant future. He will probably soon formalise these assurances. There could well be a problem, however, if the Administration were to propose similar treatment for the Soviet Union at the same time.

In one area the visit may have had a negative impact from the Administration's point of view—the struggle to secure Senate ratification of a new strategic arms limitation with the Soviet Union (SALT 2). Mr. Deng did not actively oppose a new SALT agreement, but his warnings that the Russians are not to be trusted could put yet one more weapon in the hands of those who are against ratification.

The Russians are sophisticated enough to have been paying, as much atention to what American officials have been saying during the visit as they have to Mr. Deng's attacks on "hegemonism." They know that President Carter does not share all Mr. Deng's views and they still want a SALT 2 agreement. Now that the visit is out of the way, they may finally be ready, after a decent interval, to sign the new Treaty at a Carter-Brezhnev summit

Even-handed

That does not mean that Moscow is unworried about the longer-term consequences of the Sino-American rapproachement. Talk of four-power encircle-ment of the Soviet Union (by the U.S., Western Europe, China and Japan) is enough to make that would act as a major spur most Russians extremely nerto increased trade. Mr Deng was vous, even if it is only talk. unable to give a formal com- SALT 2 will not place major constraints on their arms build--on the grounds that it would up. Both Mr. Deng and Mr. weaken his bargaining position
Weaken his bargaining position
Weaken his bargaining position
Weaken his bargaining position
Henry Kissinger were right last
Weaken his bargaining position
Weaken his bargaining position
Henry Kissinger were right last
Weaken his bargaining position
Weaken his bargaining positio not intend to use force, a point problems. U.S. officials have that seems to have been pretty concluded from Mr. Deng's visit well taken in Washington. For that it is possible to pursue an his part, Mr. Deng now appears even-handed policy of simul-to appreciate that some sort of taneous detente with Moscow Congressional resolution expres- and normalisation with Peking. sing concern that the two Possible, perhaps, but not easy.

Prices turn for the worse

THE LATEST wholesale price in figures add a telling rider to the November. Chancellor's warning of inflation returning rapidly to pattern evident in recent double figures if common sense surveys of industrial cost trends. does not prevail on the wages front. For they show that the warned that it has been receiv-underlying rate of inflation in ing an increasing number of industrial costs and prices has already begun to increase.

Input costs Last month the price index

for materials and fuel bought by manufacturing industry rose by 14 per cent, as against a mere ! per cent in December, raising the 12-monthly rate from 5 per cent to 8 per cent. Part of this increase, it is true, can be attributed to the rise in the posted price of crude oil recommended by the oil-producing countries in OPEC. But the underlying trend in industrial input costs has been edging up ever since the summer. In the past six months the materials and fuel index has risen by just over 31 per cent whereas this time last year the trend was downward. The whole of this latest rise has occurred in the last three months: in the three months to October materials and fuel costs remained virtually unchanged.

Evident

It will be some months before the acceleration in raw material facturers' output prices and thus into prices in the shops.
But here, too, an upward trend can already be detected. The provisional figure for output oprices last month happens to show the smallest January industry's labour and material increase since 1973, with the costs and output prices lend output that that that that the 12 monthly rate. this basis, output prices rose by ment, growth and employment 2 per cent as against 1 per cent could not be clearer.

These figures limn out the The Price Commission has applications for price increases from industrial companies. The latest trends survey by the Confederation of British Industry pointed in a similar direction, while the Financial Times monthly business survey has been showing a clear upturn in industry's inflation expectations since last summer.

The change of tone marks the disappearance of two factors which had hitherto been in industry's favour-the low level of world industrial commodity prices, and the decline in the summer. In the last 12 months
The Economist index of induscommodity prices has recorded an increase, in sterling terms, of 25 per cent while the metals index has shot up by 34 per cent. These rises may no all be held, but they reflect the change in the underlying supply/demand situation since world trade moved off the bot-tom of the mid-70's recession.

At the same time, unit labour costs (for the whole economy) rose from an annual rate of 71 result that the 12-monthly rate some support to the view that fell from 82 per cent in cost increases have not been December back to the level of fully passed on but have been 71 per cent which had been to some extent absorbed by a maintained between August and squeeze on profitability—a tend-November last year. But the ency that the Price Commission's comparison enhanced powers could make brings out the latest trend. On worse still. The threat to invest-

What has triggered the metal prices boom

By JOHN EDWARDS, Commodities Editor

GGT HE COPPER market is put of other metals and is also like a wild beast let out after years of captivity.

It's out of control." That was the comment by a prominent dealer on the London Metal Exchange amid scenes of frantic trading activity as market prices for all metals soared higher and higher. Since the start of the year copper prices have shot up from £770 a tonne for cash wirebars to £993 last night—an astonishing rise even for the volatile copper market. Last week alone prices rose by over £80 and yesterday they leapt again by £48, and the three-month quotation topped £1,000 for the first time since mid-1974. In the U.S., producers have lifted their domestic copper prices from 70 to 84 cents a lb during the last six weeks and a move to 90 cents for the first time ever is being widely forecast.

The surge in copper has been largely responsible for pushing up other metal prices substan-tially. Lead is at a record level, after a spectacular price rise. Aluminium, tin and zinc values have all risen strongly too. Among precious metals, silver and platinum have also achieved

record prices.
It all adds up to a metals boom, which if sustained has ominous repercussions for industry and the Government in its fight against inflation. However, although metals are present, no one is certain how long the upsurge will continue mainly because there is no easy markets have suddenly caught

is that the mood of the market has changed after years of depression and it is that potent force-sentiment-that is fuelling the explosion in prices.

Heavy speculative buying, on undoubtedly accelerating price rises. But it can be argued that the change in sentiment is only belated recognition of fundamental developments that have already taken place but were not reflected in the modest price rises during 1978. Gloomy predictions about an industrial recession developing in the U.S., and other countries, this year held back prices during the last part of 1978 when there were many influences that should have pushed the markets up. So the continued strength of demand for metals.

aggravated by heavy buying from Communist bloc countries violent than if there had been a steady rise over a longer

The rising rate of inflation, and the devaluation of the dollar last year, affected all metals. But traditionally the performance of the copper market has the most important impact on the other metals. This is partly because copper production is linked with the out-

competitive in various uses. But the main reason for copper's influential role is that it is used so widely throughout industry internationally and the freely-traded Metal Exchange prices provide a good indicator of the state of the world's economy.

Copper is vitally important to the economies of many develop-ing countries dependent on it to provide the bulk of their export earnings. They have suffered badly since the last boom in 1974 as a result of huge surplus stocks driving prices down to well below the cost of production in many cases. But four years of depressed prices are finally starting to take their

Many copper producers have cut back production voluntarily, necessity. Transport and production problems, as well as political developments, have drastically reduced output from the African copperbelt. Zaire claims that output at its Kolwezi mines, after the invasion of the Shaba province last summer. has returned to normal, but the market disagrees; pointing to constant delays in deliveries. umbia has admitted that production will be substantially down this year, even on 1978's much reduced output.

difficulty in shipping out copper undoubtedly booming at production from the minehead to the outside world, despite the reluctant decision to start using transport routes through Rhoexplanation as to why the desia. A more intractable copper, and other metal, problem for both Zambia and Zaire is a shortage of skilled expatriate labour which is still There have been no dramatic needed to maintain production new developments this year, levels. After Kolwezi expat-All traders can say, with safety, riate workers are even more reluctant, whatever incentives might be offered.

Unrest in Africa

copperbelt.

The other main source of imported duction further. The expansion in Peruvian

by a series of strikes and In North America, U.S. pro-

duction was cut back because of low prices and cheap imports. The recent surge in prices may have restored profitability to most mines there, but it will take some time for output to he increased. Canadian produc-tion has been hit by the low prices, and two major strikes-International Sudbury complex, which pro-

Zinc 100

Indeed producers, when nego-

in a premium price structure

for the guarantee of regular

supplies. This new-found strength resulted from the fact that most producers drastically

cut back their supply commit-

ments for 1979 and fabricators

are still anxious to ensure that

they receive adequate copper to

meet their estimated require-

So far consumers have

managed to keep their stocks

at a very low level knowing

there were more than adequate

supplies available whenever required. The high interest rates

recently have been an added in-

centive to continue this policy.

Now the situation has changed.

The fall in stocks, strong buying by Communist bloc and Far Eastern countries, and fears

about further supply setbacks,

particularly in Africa, have raised the spectre of possib

One of the few hard facts

this year has been the steep fall

in the copper stocks held in the

London Metal Exchange ware-

houses dotted throughout

Europe. With yesterday's fall,

these stocks have declined by

of 645,000 only 12 months ago.

shortages developing

ments this year.

8,000 r£per tonne

4.000

2.000

1.000

500

and Noranda's Gaspe mine. All these cutbacks have resulted in a shortage of copper concentrates, the raw material required by smelters, and an acute scarcity of good quality Zambia is having immense

"brands" for wire bars and cathodes. the lower quality grades, which cannot be used by some consumers, and substantial premiums above the market price are being paid for good quality tiating their supply contracts with consumers for 1979, were able for the first time to build

Political unrest threatens the rest of southern Africa, and there seems little chance at present of any significant expansion in production from the African

copper — South America-is also threatened by political unrest and strikes. Although Chile has managed to lift output, the higher grade ores are now becoming exhausted and considerable investment will be needed to expand pro-

copper production has been hit financial difficulties as a result duce all the group's copper as The trend in warehouse stocks well as the bulk of its nickel is usually a good indicator of the changes in the market. The Metal Exchange is essentially a residual market with the bulk of copper sales being transacted direct between producers and consumers, so movements in the Exchange stocks represent the variations in the overall supply situation. The surplus stocks are mainly

1974

In times of over-supply, surplus stocks flow into the warehouses in the hope of being financed by speculators taking a long-term view or by financial institutions. In times of short-Metal Exchange for extra sup-plies over and above their regular deliveries direct from producers. The theory is that if sumption side is just how much prices are raised high enough, any metal not immediately required will be attracted to the Exchange. During the past 10 years, stocks of copper have fallen as low as 10,000 tonnes (during the 1974 boom) to last year's peak of over 645,000.

Present warehouse stocks are. therefore, high in historical terms. But no one is quite certain how big a proportion of the stocks is held by long-term investors, not prepared to release them until prices go much higher, or already committed for delivery against previous purchases.

Certainly a significant feature of the market at the moment is that the gap between the cash price and three months quotation is much smaller than it should be to "carry" supplies interest rates. This has led to suggestions that a shortage of supplies available to the market could develop, in spite of the apparently large stocks.

modities Research Unit, are that production of refined 55,000 tonnes this year. Total holdings now stand at 319,075 tonnes compared with the peak copper in the non-Communist world at just over 6.5m tonnes fell short of consumption by made to buy more and more kind of prices likely to around 500,000 tonnes in 1978. until the bubble bursts and for metals in the 1980s.

This still predictions that production would rise in 1979 have been confounded by the delays in the start up of the Sar Cheshman teething problems.

Copper CASH WIRE BARS

1975

Economic forecasters maintain that the growth in consumption of copper will slow down this year, especially in the U.S. where there has been three years of strong growth in demand. But it is admitted consumers look to the this downturn is now not likely to be felt until the second half of the year. In the meantime the unknown factor on the conwill be bought by the Communist blue countries, especially with China embarking on its industrialisation pronew gramme. Communist buying has already profoundly affected the lead market by removing surplus supplies and creating an acute shortage. It is likely to be an even more important influence in the years ahead

in all metal markets. Another unpredictable element in the market is the influence of speculators. In recent years speculation, both by the trade and private individuals or funds, has become very much more sophisticated and power-

attracted speculators back into

The self-feeding upward move Fears of inflation, and the erosion of surplus stocks, have

the metal markets in a big way Latest estimates, by the Com- and large sums are reported to be coming in as the boom gathers pace. The upward move is often self-feeding with speculators using profits already

leaves a sizeable prices collapse. Trade buyers surplus in theory. But earlier are not immune either. Is it a speculation to buy extra quantities ahead, in case of higher prices or to avoid shortages? The trick is to get it right. mine in Iran, for obvious although the higher prices can reasons, and La Caridad in usually be passed on to the Mexico because of normal eventual consumer.

CASH METAL

The scenario being painted by market experts at present is that metal prices will continue to rise, with some sharp setbacks from profit-taking, during the first half of the year, thus repeating the pattern of the last three years. What happens in the second

1,000

2,000

1.000

200

half of the year appears to depend on whether predictions of an industrial recession in or not. Three years of setback; after the buoyant first six months has made traders fearful of being too confident the upsurge can be maintained. especially such a big rise. It is remembered that only six months or so ago the market was in the doldrums. Sentiment can change very quickly, either

Nevertheless it does seem that the easy times for the consuming countries are probably over after four years of depressed prices. Even at current levels copper, for example, is reckoned to be well undervalued. Although more producers will be returning to profitability, it is calculated that prices of close to \$1.25 a pound (nearly £1,400 a tonne) will be needed over a reasonably long expansion projects.

Whatever happens, there will be a time-lag since investment has slowed to a virtual halt in the past few years and it takes at least seven years for a mine come on stream. So even the present boom proves to be short-lived, it could well just be the pale forerunner of the kind of prices likely to be seen

MEN AND MATTERS

Double-barrelled into Europe

With 200 would-be Tory Euro-MPs scrambling for a candi-dacy, a number have found themselves making awkward calls from far-flung telephone kiosks to say they cannot, after all, report for their sixth selection interview in a weekend.

Among Labour hopefuls, Barbara Castle is thought to have put in for 11 seats. But many Tories have been casting their nets just as widely, result-ing sometimes in frenzied journeys up and down the country. Of the latest batch of suc-

cesses, Lancashire East is remarkable in having chosen business consultant Edward Kellett-Bowman, trying his luck in two other constituencies; he has secured the fairly good chance of the Euro-seat next-door to that of his wife Elaine, selected for rather-more-Toryinclined Cumbria:

"We have always worked as a team," says Mrs. Kellett-Bowman. She is already armed with a dual-purpose slogan "E K-B for EEC."

Unusually, she put in for only one candidacy, and apart from Jim Spicer, MP for Dorset West. is the only Tory MP so far to have secured a Euro-candidacy which overlaps with her West-minster seat. "I believe if we are going to make a success of the first directly elected European Parliament," she says, "it has got to cog into the West-minster Parliament. There are going to be a lot of businessmen going to be a lot of businessmen and so on who will need guiding from those who are old hands."

Partly on the basis of the Common Market referendum, they are convinced that the North-West is actually in-terested in Europe. One of the more obvious reasons is the Regional Fund, from which the . President Giscard d'Estaing. He North-West stands to benefit a was to have attended celebragreat deal. But Kellett-Bowman, tions to mark the 550th anni- A an old Europe hand, insists that versary of the momentous unites companies as diverse as the electorate should not just be occasion in the Vosges when Citibank and Burger King interested in what can be ex- Joan beard voices-and



It looks like it isn't going to stop with the lower paid."

tracted from the Community. In his own case, translation to Strasbourg would mean "a con-siderable financial sacrifice." Further south, Sir Henry Plumb, former chairman of the National Farmers Union, who failed to secure Tory Cambridgeshire, can breathe freely again having found favour in The Other Place: his Cotswolds

constituency, with a likely 13 per cent Tory majority, includes The battle arrangements in the other camps are less clear. The Labour Party seems uncertain whether it is more hostile to Europe or to spending money getting Euro-MPs elected. The Liberals are not in much better shape, although a spokesman said it was "hoped to have chosen 90 per cent of the candi-

Cold steel

dates by mid-March."

Joan of Arc has been drawn into an elaborate snub just issued to inspired to enter battle against seems to have won the heart of But Giscard will not be going.

The celebrations have been cancelled, as a thinly-veiled protest at the high unemployment in the local steel-making communities. The rebuff declares: These ceremonies must be sober and modest. We have no right to indulge in sumptuous

History also repeats itself.
In the Vosges they argue fluently that British steel policies are largely to blame for their own woes.

History on wheels As soon as the Pope had left the Dominican Republic, a Texan businessman telephoned with an offer for the Jeep in

which he had travelled around the country. But in Santo Domingo, the government would not be tempted. The Jeep has been declared a part of the national heritage.

Roy picks Dick

It will be announced today that Roy Jenkins has selected his former colleague, Dick Taverne, as Britain's member of the team to investigate the workings of the European Commission in Brussels. Representatives from France and Germany on the five-man team have been chosen by their governments but in Taverne's case, Callaghan merely nodded his assent to Jenkins' personal

Taverne was an eager pro-European until he was eased out of the Labour Party; he is now much occupied in TV and radio work. He tells me be expects to spend several days a month in Brussels until the report is

Dollars for lives

cash-raising campaign that was each has given \$100,000

cynical New York. Many of the contributions are merely dollar bills posted anonymously to the fund offices.

The aim is to supply every New York policeman with a bullet-proof vest. Each vest costs \$1,000, so with 15,000 cops on the city's strength, that is a mammoth task. Within a week or two, the campaign has trevelled a third of the way to its \$15m target.

Last year, five New York policemen were shot dead and a poll shows that 81 per cent of the force wants bullet proof clothing — which the city is too poor to supply.

In London, such an idea sounds outlandish. New Scotland Yard only issues the vests "in special circumstances." A spokesman commented yester-"We're a long way from New York."

But out at the Heathrow Hotel vesterday, a select audience was showing keen interest in the 'body armour" on offer from a Glasgow firm. An exhibition of defence equipment has been laid on to coincide with a conference on Defence and the Muslim World, According to the Glaswegian suppliers, their vests will stop all manner of bullets — not to mention knives and grenade fragments.

China clippers

An elaborate "Departure Dossier" has been prepared by Thomas Cook for tourists planning to visit China. The preamble says: "Rest assured it will be an experience not easily forgotten." A few pages on appears this nugget: "Some hotels have bairdressing facilities catering for both sexes. Standards vary but it is usually good for entertainment in the evenings."

We know that Peking cannot

be transformed in a day—but after a tramp along the Great Wall there surely must be more fun around than a session with

Observer

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FINANCIAL TIMES SURVEY

Tuesday February 6 1979

Industrial Property

A revival in the amount of new industrial building is being pushed along by an explosion in the volume of investment and development activity by the institutions. But the market remains subject to the country's economic condition and to demand by industrialists who need to expand.

Steady demand space

By John Brennan

SCHIZOPHRENIC element has crept into discussions of the industrial property market in recent years. On the one hand there is ample evidence to show that British industry has been reluctant to increase its capital investment in new plant and equipment. On the other, there has been an equally undernable revival in the amount of new industrial building, and the explosion in volume of institutional investment in industrial property.

On the face of it these two sides of the same market—the depressingly sluggish rate of industrial expansion and the bullish pace of property investment and development activity -are irreconcilable. Looked at more carefully it is possible to see that this division between and warehouse tenants and the

enthusiasm of the producers of industrial property is not as clear-cut as the gross figures for new building and industrial investment would suggest. But even if the market is not quite as unbalanced as it at first appears, there remains an un-comfortably wide gap between the hard economic realities of the current industrial situation and the long-term hopes of industrial property investors.

Turning first to the more cheerful analysis of the problem, it is possible to see that British industrialists have not entirely abandoned capital investment, and that developers and investors have not been creating an unfillable mass of new buildings.

Treasury and Confederation of British Industry statistics suggest that private manufacturing investment will have risen by between 10 and 15 per cent during 1978. Manufacturing output is still barely scraping above the levels reached during the three-day week five years ago, and CBI surveys still sug-gest that around half the country's industrialists believe that they are operating with unused capacity. But at least there is no investment "strike" and these gross figures, depressing as they are, do not altogether negate the continual need for

new industrial premises. There may be no economic miracle to fuel demand for the reconstruction of Britain's stock of industrial property. But at the same time there is steady demand for new buildings to take advantage of changing

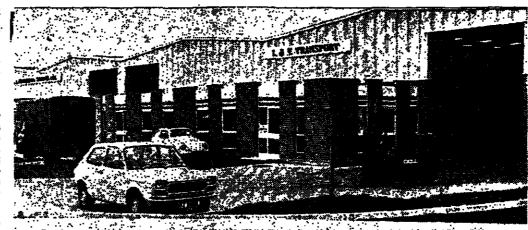
markets, changing transport production methods. However reluctant an industrialist may be to commit cash reserves or to incur additional debt for new buildings, he cannot for long ignore these basic commercial arguments for more modern or for better located space.

Trade unions provide another sharp spur to industrialists who might otherwise be content to remain in out-dated buildings. Whatever the long-term results of the past few years of Government-imposed wage limits, one permanent side-effect of the legislation has been to extend the scope of the traditional union-management haggle over wages to include the whole range of working conditions.

As decent factory and warehouse buildings rank high on the agenda of any such negotiations, and as very many businesses have in the past taken more care over the housing of their machinery and stock than their employees, union prompting has become an increasingly important factor in the industrial property market.

These pressures upon businessmen to consider moves into more modern buildings even during an industrial recession do not stand out from the broad-brush impression of low investment left by a cursory glance at the economic statis-

industrial property is therefore rather stronger than a pessimistic pessimistic investment analysis of the



The steady demand for new buildings to take advantage of changing markets has produced premises such as these, part of a 44-acre trading estate at Ramsgate, Kent, built in partnership with Ramsgate Corporation

figures might suggest. At the ings will have been constructed same time the supply of new on established industrial sites. property is not so alarmingly ment boom implies.

Such talk gives an unrealistic icture of the level of new building in the country. On the best estimates now available it appears that around 10m sq ft of speculative factory and warehouse buildings were started in Even adding in perhaps the same amount again of prelet purpose-built units, owndevelopments industry and extensions to existing plant, we arrive at a total of new space that represents only between 1 and 2 per cent of the

and as the site-cover allowed by modern planning regulations and the need for modern transport access is considerably lower than that of older industrial estates, it is reasonable to assume that space lost through demolition would have clipped at least a third from the gross total of new buildings started last year. As suitable greenfield sites become increasingly difficult to find, the net-to-gross figures for new buildings are

Looked at in that way the new building boom can be seen for by King and Co. which in the what it really is, a recovery to past 18 months have shown a a more normal level of indus- very steady reduction in the shows, the prices of develop-

further apart.

trial building relacement and only a marginal annual addi-

tion to the country's total indus-

trial stock. That summarises the cheerful approach to the current state the market: industry may not be keen to expand, but even in recession there are always com-mercial or union-influenced reasons to upgrade the quality of factory and warehouse buildings. At the same time the the creation of new indus-trial property is only of a sufficient size to match this likely to move further and basic letting demand, a point made clear by the national floorspace surveys carried out

The less cheerful analysis of the industrial market focuses on the longer term problems of an economy where capital investment remains at a low ebb. Any such analysis strays immediately into the realms of politics, and once there can only be based on speculation.

The worst possible scenario is hardly worth considering; a long-term run down of the economy, drastic Government efforts to reprime the pumps of industrial production with consequent bouts of either runaway inflation or socially unacceptable restraints. That recipe for economic decline would leave no sector of the financial market, let alone the property market,

On a less dismal forecast a gradual recovery in capital investment would fairly rapidly absorb the remaining slack in the industrial property market. In that case the relatively short time needed to carry out an industrial scheme, the more than adequate finance available from financial institutions to fund such politically and socially acceptable investments, and the surplus capacity in the construction industry could comfortably meet any upturn in demand for new space. The only real bottleneck to any wider recovery in the development cycle would be the problem of finding suitable development

development in this survey

countrywide total of available ment sites have rocketed in the past year, and developers comthe more popular area, of the South East. Yet there is plenty of land suitable for industrial development now lying disused within the inner cities or blighted by local planners still

obsessed with housing. Fortunately, attitudes to plan ning have been, and still are changing. Red tape stil strangles many birth, and in of some councils Community Land Act powers take on a frighteningly complex and obstructive form. But partner-ship schemes with local authorities are becoming commonplace. And if the rates of Development Land Tax were adjusted to eliminate the confiscatory elements built into the legislation at its creation, site acquisition would cease to be a major prob-

to attract exaggerated comment. If it is a dull week, the slump is upon us. If a couple of good deals happen to come into public view at the same time—no matter when they were actually agreed and completed—then it

is "boom" time again.
So it is with the industral property market. The past year has seen no industrial development "boom," only a long over due recovery in the level of new building. It will need firm evidence of an equal recovery n industrialists' will to invest efore developers and their funding partners really get the bit between their teeth.

A look at the Industrial Property Front.



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the completed development. when the figure was just 5.8m East Anglia is a fairly quiet square feet. And it is worth not- area as the figures show, though In London smaller sites would be of interest. ing that there was an increasing amount of pre-let building going on in 1978 and this would Please contact: DM Wright, FRICS, by-pass the King survey com-pletely, so the trend is even Weatherall Hollis and Gale, more buoyant.

However, within the regional breakdowns there are obvious variations on the main theme.

LATEST

up of new construction.

The increase in warehousing space in the north-west was not anticipated and rather than pointing the way to a definite trend the figures probably say more about the weakness of any survey taken on specific dates. In theory there should be no rise. The sharp increase in factory space was expected, for nearly all of the increase is accounted for by the first time inclusion of the BL closure and, of course, Courtaulds has also boosted the figure in the north-

Speculative

In the north-east speculative construction is never very high because English Industrial Estates controls the market, and the construction figure represents mainly EIE building. The warehouse space tends to be of the older type and factory space remains fairly constant.

Yorkshire and Humberside figures-only the second time that King has cut this region out of the North East—reflect the strong letting market, but not much building. Little new property is being built because at the beginning of last year there was a considerable surplus. Though the letting situation has improved considerably, developers have tended to hold off on new construction.

In the West Midlands there is a lot of development going on and the survey distorts the

underlying buoyant trend in industrial property review published by

chartered surveyors King and lands there is a sharp drop in Co. reflects the trend in the marthe amount of warehouse space ket of an increasing take-up of available and according to King vacant space and a steady build it is difficult to find the 'right The increase in construction in some areas have picked up work is even more impressive and there is an increase in when compared with a year ago construction.

> there does appear to be som pick up in development, but this will probably drop back again. In Avon and the South West there is a fair amount of activity around Bristol reflecting an up swing in rent levels, though i

from the figures at present. South Wales, like East Anglia is one of the quieter regions. The Welsh Development Agency is very active but a lot of its building is of small units of under 5,000 square feet and this does not show up in the King

The London figures are very much as could be expected. The warehouse space available has declined while the increase in factory space evidently contains a fair smattering of older pro-perties. New factories are snapped up fairly quickly.

Home Counties North is also fairly representative of the market but it is difficult to ge development sites in areas around Bedfordshire and Hert fordshire.

In the Home Counties Sout there is a lot of activity. The warehouse figure is a little surprising as there is plenty of movement on both the letting N.B. Exclusions from the Totals and development fronts. Possibly letting market,

King's general comments in-clude the view that because of the ability to fund smaller units easily, builders are switching to smaller developments and although activity will appear to continue buoyant, on a square footage basis, new construction could be down this year.

Terry Garrett

Meanwhile in the East Mid- OVERALL TOTALS OF FLOOR SPACE IN SQUARE FEET MID-DECEMBER 1978 (AUGUST 1978 FIGURES IN BRACKETS)

(BUILDINGS unde
ENGLAND AND WALES TOTAL:	WAREHOUSES	FACTORIES	CONSTRUCTION
	(Vacant and	(Vacant and	Occupation within
	To Let/For Sale)	To Let/For Sale)	6 months
	27,082,000	37,031,000	10,868,000
	(28,905,000)	(37,788,000)	(10,230,000)
By Regions NORTH WEST (including North Wales)	5,336,000 (4,834,000)	` 7,266,000 (5,778,000)	1,711,000 (1,641,090)
NORTH EAST	1,227,000	4,947,000	1,598,960
	(1,367,000)	(4,812,000)	(1,297,000)
YORKS, HUMBERSIDE	2,881,000	2,604,000	805,000
(includ. Notts, Lincs, & Derby	(3,761,000)	(3,397,000)	(1,156,000)
WEST MIDLANDS	2,733,000	4,640,000	1,490,000
	(2,412,000)	(4,969,000)	(1,569,000)
EAST MIDLANDS	1,018,000	1,356,000	709,00 0
	(1,508,000)	(1,332,000)	(540,000)
EAST ANGLIA	880,000	769,000	108,600
	(632,000)	(684,000)	(71,000)
AVON/SOUTH WEST	1,338,000	1,256,000	392,900
	(1,276,000)	(1,381,000)	(291,000)
SOUTH WALES	351,000	1,476,0 00	583,000
	(335,000)	(1,609,000)	(448,000)
LONDON/HOME COUNTIES	11,318,00 0	12,717,000	3,562,000
TOTAL:	(12,780,000)	(13,826,000)	(3,217,000)
A. London	6,400,000	7,911,000	1,114,000
	(7,006,000)	(7,241,000)	(1,022,000)
B. Home Counties North	2,315,000	3,131,000	1,556,000
	(3,193,000)	(3,975,000)	(1,264,000)
C. Home Countles South	2,603,000	1,675,000	892,000

the dull figures are just a reflec. 1. Premises with floor areas less than 5,000 sq. ft.

tion of movements on the day 2 Premises still occupied but unofficially on the market to let or for sale. the survey was taken. Factory 3. Multi-storey mill premises mainly in the North East and North West Regions. space is well down, however,

mirroring a reasonably strong 4. "Semi-detelict" premises where it would be difficult to justify refurbishment.

. A	iditional Infort	nation (Augus	t 197	78 Survey in br	ackets)				
A	Number of	premises ove	r 10	0,000 sq. ft.	90 WAREI	(83) HOUSES	;	FACT	ORIES
B .	Approximate more than	percentage 10 years old	of 1	buildings not	56	(51)		24	(20)
C	Approximate buildings	percentage	of	single-storey	 86	(24)		81	(82)
D.	Approximate buildings	percentage	of	multi-storey	14	(16)	-	19	(18)

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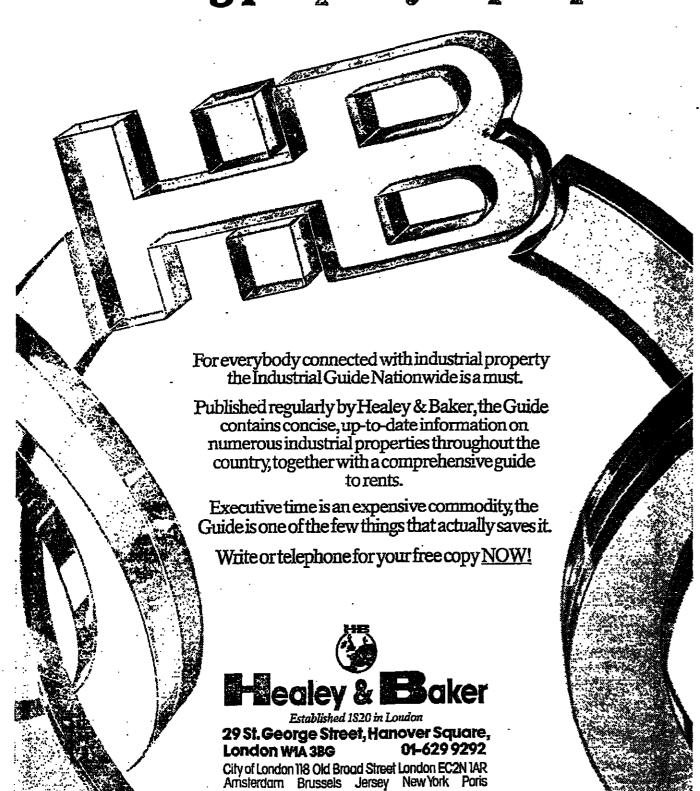
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Investment a ticklish problem

Industrial Guide Nationwide The time saving booklet linking property to people



investment markets, property fruitful year for the sucker at 7.5 per cent, they will have manages to exhibit every crop. classical economic definition of is certainly non-homogeneous, industrial property purchases and the information flow within last year have tended to overthe market is both restricted shadow the more conservative and selective. On top of that, property has acquired an unusual degree of political sensi-

It matters not that schemes to

direct new equity capital from the pension funds and insurance companies into manufacturing industry are generally ignored by industrialists. Trying, but failing to help finance industry just adds up to failing in the simple rhetoric of politics. And os that failure could provide a good populist stick to drive the institutions on to the road to direction of investment funds. imagine the relief within those funds' investment committees when industrial property comes

Industrial property has every-thing for the fund manager. It comes in a wider range of prices than any other prime property investment, as it is still possible to acquire a top quality unit for under £im, a price tag that would cover few shops of corresponding quality and even fewer offices. It can be deve-loped within a reasonable time without the potential cost over-runs of a 34-year office scheme. It has a sound track record as an investment medium. Best of all, it is politically respectable.

Arguments

of unease in the property market that a number of funds have become a little intoxicated by these arguments for indus-trials. It is rare enough for investment surveyors to criticise their customers. But in the New Year flood of surveyors' annual reviews there were a number of cautious comments about over-enthusiastic buying by the less well advised institu-

Leavers went so far as to talk of a two-tier market, with "the most bullish and aggressive of the funds" bidding prime industrial buying yields down as low as 6½ to 7½ per cent, while more conservative funds keep away from the sector unless they can buy in the 7½ to 9½ per cent yield range.

To judge by market gossip-which in this imperfect of markets remains one of the best barometers of investment fashion—the surveyor's fears are well justified. There are count-less stories of smaller local authority pension funds new to property investment and keen to follow the bigger funds into factories and warehouses that have paid prime prices for schemes still dizzy from their many unsuccessful trips around the investment circuit.

In Phineas T. Barnum's immortal words, "There's a sucker born every minute." And

Unwary buyers tend to hog imperfection. There are few the headlines, and the few spec in 1981. buyers, few sellers, the product tacularly low yields accepted on It seem and more cautious institutions have been willing to see a sig nificant erosion of the tradi-tional yield gap between indus-trial and office and shop investments. To judge by the various indices of past performance they are right to re-rate industrials. But what of the future?

The Henley Centre for Fore-casting recently brought com-mercial property into the sights of its crystal ball and come up with some dispiriting and some encouraging forecasts for indus-trial property supporters.

In the view of Henley's computers, industrial rents in 1979 are likely to rise by 14.1 per cent, very comfortably above the rental growth needed to justify buying yields towards the top of the 71 to 9 per cent range. But Henley's projections of rent growth after 1979 begin For 1980 the Centre antici-

pates average rent increases of only 6.4 per cent and the cumulative rent growth between now and 1983 is only expected to add a third to current rents. In comparison, the Centre expects Central London office rents to increase by 17.8 per cent in 1979, 14.8 per cent in 1980 and then by an average of just over 9 per cent a year until 1983.

What effect does the Centre feel these rent figures will have on investment yields? Well, it recognise the buying pressure of pension funds trying to in-

PROPERTY INVESTMENT is a on the fringes of the industrial crease their holdings of induscent by 1983 and prime shop ticklish problem for financial property market it looks as trial property, and forecasts property selling for initial institutions. Unlike most other though 1978 was a particularly that if prime yields now stand yields of around 5.5 per cent. a temporary dip to 6.5 per cent

Henley does, threfore, accept eased to 7 per cent by 1983 after the self-fulfilling effect of the institutions' enthusiasm for industrial property. It sees office yields at 5 per mind the fundamentals so long

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CONTINUED ON NEXT PAGE

Marlborough Developments

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Marlborough the industrious developers are building warehouse.

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Sources of development finance

WE ARE FAST approaching the Development Land Tax (DLT).
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legislation the property world development company was a thing of the past. However, over the past three years Britain has witnessed one of the largest industrial development booms seen this century. What quantity of industrial space has been developed is very difficult to gauge but hardly a week goes by without some new industrial development scheme being

Leading the way in this country have been many of the traditional industrial developers —Slough Estates, Brixton Estate, Percy Bilton, Allnatt London-along with other property companies which had little or no involvement in the

Yet the industrial development boom took off at the time legislation was introduced which the property sector felt was aimed at curbing its activities. At the time of its introcritics claimed that CLA and DLT would slow down and in certain ing the role of rent collectors.

Investment

buying yields and

as the capital market remains performance.

CONTINUED FROM PREVIOUS PAGE

hot, initial yields will stand

below any objective estimate of rental growth. The sheer

weight of investable cash will

take care of any credibility gap

realistic forecasts of gross re-demption yields. And if the

actuaries baulk at the figures,

there is always another fund

down the line keen to take on

objective analysis looks redun-dant. It is possible to argue

that some of the buying yields

accepted by funds in recent

months bear little relationship to realistic income potential. But if the market is willing to

accept the illogical, why argue?

And as Henley's forecasts are based on hypothetical average

In a market such as this,

the property.

 \mathcal{A}_{i}

1.35

 $\mathbb{M}_{\mathbb{Q}_{2k}^{n}}$

1,71

pull

third anniversary of the passing. ment boom has proved this not of the Community Land Act to be the case. And in retro-(CLA) and its twin sister spect many developers now see that CLA and DLT has hadlittle affect in curbing their activities in the industrial and its supporters felt that sector. Even the hated DLT, traditional development as which taxes the value of land Britain knew it was over and on the basis that planning per-that the role of the active pre-mission increases its saleability and worth, has not hit devel opers as hard as one might have originally anticipated.

> Developers were not slow to meet the growing demand for new warehouse and factory as Britain's economy came through the recession of the early 1970s and industry realised that if it were to be competitive both at home and abroad then it must become more efficient.

Change

Efficiency meant in most cases new industrial space, and demand for modern ware-house and factory accommodation has been widespread throughout the UK. As production and storage production became more technologically advanced during the 1970s, developers and architects had to change to meet those needs. Whereas eaves heights had been around 15 ft the demand was areas bring it to a total halt for higher and higher clearwith property companies assum- ances and now we see the introduction of 25 ft eaves.

manager can console himself

with the idea that his particular

properties are a cut above the

In this important market

today's apparantly lunatic pur-

cases of ill-advised funds may

well become the sound invest

ment holding of the future. And

so long as industrial property

remains a politically acceptable

home for institutional finance

it will retain a premium value

that cannot be expressed in

any objective analysis of invest-

ment performance, always assuming that there are indus-

trialists to fill the space, or

matter.

During the early days of the CLA many institutions made it quite clear they were unhappy about the 99-year leases which a developer would receive on local authority owned land. Some institutions told both the local authorities and property developers that they would not fund schemes on council-owned land. The leases, they argued, were far too short and that actuarily a leasehold development on a 99-year lease was not profitable over the long term.

With the average life of industrial space reckoned to be around 50 years the funder would only get two bites of the cherry over the duration of the lease. But land leased over 125 years gave the institution at least a third slice

actuaries too impressed by the sector's past performance to notice the voids. -

Another reason for the huge growth in industrial development springing from the enormous demand for space came as a result of dearer energy. No longer could distributors locate their depots and warehouses miles from the nearest motorway or huge supermarket chains have their supply points a long stretch from their outlets.

Distribution, like industry, had to become more efficient in order to make the operation more cost-effective - which is why each month a new industrial estate is announced close to a motorway or large arterial road system.

All these factors gave rise to heavy demand to new spacea demand which developers who survived the property slump were only too glad to meet. And although the introduction of the CLA looked as if it might push ject managers acting for the landowners, the local authori-ties, in fact nothing further from the truth has happened.

In fact so big has the demand for industrial space become that even the generally conservative institutions have leapt on to the bandwagon and many property trusts, pension funds and insur-ance companies have all started schemes of their own.

However, while development of freehold land presented no problems at all to either the traditional property developer or the institution, land which was owned by local authorities was an altogether different

of the cake.
In the early days of the CLA

there was a general holding back of development schemes original lease. This has made keen to invest directly into prohere the developer needed everyone happy, especially the perty rather than prop up com-Baron Phillips funding from an institution, institutions which are strongly panies which had over-extended



The original 600-acre Slough Estate pionecred the industrial estate concept. Recently, the Slough Estates group and similar developers have found renewed demand for factory and warehouse space

taking an equity stake.

were duly issued space was desperately needed Ministers to allow 125-year that leases would be extended it was built and let. to 125 years. In any case many developers, in common with some local authorities, felt the CLA would only last as long as panies were still recovering the incumbent Labour Govern-

Today many institutions will say that where development is ping in to bridge the gap left taking place on council owned taking place on council owned by a foundering property indus-land an option is being granted try in both the industrial and for a further 26 years on the

would repeal the CLA

and where that institution was involved in industrial develop-

Once the impasse was broken from all sides and councils in many observers of the property areas where new industrial sector wondered aloud whether the traditional role of the began to put pressure on the developer was over and that he would simply fall into the proleases. At the beginning the ject manager slot. It was Department of the Environment thought developers would resisted these overtures and it simply search out the schemes was left to the local authorities and put together a package for to come to ad hoc agreements the institution which would with developers and institutions take over the development once

During 1976-77 this was regarded as fair comment. Most property development comfrom the crash and were too ment. As soon as the Conserva- busy de-gearing to consider tives were re-elected then they taking on further debt of any

The institutions were stepcommercial sectors. They were themselves during the halcyon days of 1970-73.

Apart from large institutions such as the Norwich Union, Commercial Union and Standard Life which had already established large and sophisticated property development departments, increasing pressure came from the smaller property unit trusts and bonds.

The trusts and bonds began to find themselves flush with money as the economy picked up and confidence returned to the property sector. How to invest this money became of great concern to trust and bond

Pressure was already beginning to build up in the invest-ment market where demand for prime fully let properties was increasing almost daily with the consequent fall in yields. Clearly as prices went up and returns down many of the smaller institutions could not compete on the same terms as the giant insurance companies and

ning permission and the whole scheme virtually pre-let

sisting of the land with plan-

Property trusts and bonds were still not in the business of funding speculative schemes even at this stage. However, as industrial development took off and became more competitive the institutions had to take more chances and bend their

Fleming Property Unit Trust joined with tax expert and property tycoon Geoffrey Bradman on a large industrial development scheme at Croydon, South London, Under the arrangement Bradman guaranteed the rent of the scheme once it was completed until every unit was fully let or the agreed rent roll had been reached.

But even this had to change as the industrial development market hotted up. Nowadays it is not unusual for institutions to take on speculative schemes on sites which they consider absolutely prime.

Although it seemed in the early days of CLA and DLT that the institutions and the local authorities would have it all their own way this has not happened in practice.

Many of the smaller industrial schemes brought to institutions are from private developers who want to realise an immediate profit on a development once construction has been completed. However, even this is beginning to change as private groups like Viking, Ashville and Dimsdale seek to build up their own portfolios. industrial development, which provided them with an excellent

Meanwhile the giants of the industrial development world continue to find their own schemes and finance without having to part with any of the equity. The boom marches on. Schemes are getting bigger rather than smaller.

The joint Haslemere/Crudens scheme in Reading covers a massive 72 acres and when finally completed will provide house accommodation could be around 1.25m sq. ft. of induscompleted in a matter of trial space. There is even talk months rather than years, as of larger schemes on the way was normal in commercial covering sites of 100 acres or more. Neither the presence of the advantages institutions took a

institutions nor the efforts of the Labour Government have fairly cautious approach to industrial development. Smaller funds like Fleming, Lazards, been able to curb the activities Hambro. New Court were not in traditional developers and it is unlikely the a position to go scouring the country looking for prime steam will be taken out of their efforts until prime industrial development sites. They had to wait for mainly private land really begins to dry up.

Baron Phillips

Weatheralls Industrial and Warehouse Developments

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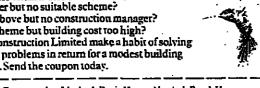
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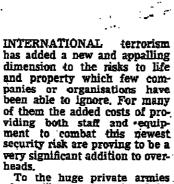
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To the huge private armies of security men employed by specialist companies have been added "in house" security staffs. A great deal of emphasis is now being placed by tenants and companies seeking larger office buildings, on the suita-bility of properties from the security angle. Property owners have always expected banks to look for special and sophisticated security when seeking a building.

For example, Bank of America was first attracted to its Cannon Street, London head-quarters because the building occupied an island site, which made security more simple. After the robbery of the bank's West End premises a few years West End premises a few years ago, when the raiders tunnelled their way into the safe deposit vault from an adjoining build-ing. Bank of America sees its security from robbery enhanced by lack of attached buildings. Tenants of other major office buildings have found that landlords have restricted access to the premises to one entrance, so However, the onset of unpredictable rates of inflation allied to reducing the number of security staff needed. As an anti-terrorist measure the same proforced the need for a complete cedures have been adopted in some shopping centres and large reappraisal of methods. which formerly had access from two street frontages have been found it essential to introduce a number of new schemes to forced to seal off one entrance

In a multi-tenanted building the provision of these extra security measures falls on the landlord, although in almost every case the cost of providing security is passed on to tenants. These costs, together with service charges for cleaning and other items of expenditure on communal parts of the building, often represent as much as 25 or 30 per cent of the rent paid by the tenant, although in London and other areas of high rentals the percentage is lower. But the guard against security risks does not end there. The arrangement of fire insurance, intruder alarms and smoke and sprinkler systems are a few of the other costly items which

to deter terrorists.

both owners and occupiers have Fire insurance policies normally cover not only loss or war period it was possible, once commercial and



unchanged for lengthy periods.

Insurance companies have

meet the requirements of the

trial and commercial properties,

as a special item to suit the needs of the individual policy-

holder.

is to be based.

money by armoured van to industrial premises in South London been made, for them to remain insurance schemes which can a saving in premiums. result in "average" applying only if the sum insured is less than 85 per cent of the full volatile building costs has reinstatement value. This gives a margin if there are any unforeseen circumstances in the future in relation to either increased values, delays in reinstatement of a building, or inflation. This margin could be market. Most of these treat the inflation element of the sum a considerable benefit in the case of partial loss. But if the insured, particularly for indussum insured was less than 85

per cent of the full value of reinstatement then "average"

Allowances

would be applied in full.

Property insurance is com-plicated by what is known as 'average." This is an insurance Estate agents Richard Ellis term for a practice which has come up with a new approach to the problem for operates in this way: if a property to which "average" policyholders who are willing applies is insured for a sum to base the sums insured on a less than its value, then any loss professional valuation or who is shared between the insured would be prepared to do so in the future. Member companies and the insurer in proportion to their respective liabilities, and the difference between the of the Fire Offices Committee have worked out a common value and the sum insured approach in which sums insured represents the figure on which comprise two elements for the the insured's share of the loss calculation of premiums; first, the estimated cost of reinstate-The insured partly therefore ment at the beginning of the to get the cover in the United contributes to his own loss in insurance period and, secondly, Kingdom and it fell to a French damage by fire but other perils the event of his being under- the allowances in respect of in- group to insure the risk. One -subject to exceptions which insured. Recently there has flation or future increases in of the advantages of the insur-

There can be no doubt that term. a large number of companies are under-insured for fire risks. One recent survey of 100 companies indicated that two were over-insured, 19 adequately in-sured and the rest underinsured by varying percentages. The companies surveyed were representative of a broad spectrum of small to medium-sized industrial and commercial coucerns and the buildings involved included factories, workshops, hotels, office blocks and shops.

Property owners also require insurance against structural defects in new commercial developments, an area of and of this total about 25,000 security which many have been are installed by companies seeking over the years but which few have been able to obtain. But recently the Derbybased Viking Property Group succeeded in obtaining longterm insurance cover against structural defects in its new commercial developments.

The insurance effectively will give a 10-year guarantee against defects arising in the structure of its weather-proofing envelope. Viking was not able are defined in the insurance been some relaxation in the costs and the premiums for this ance is that if Viking sells any policy. In much of the post- application of "average" for part of the sum insured will be insured building within the industrial calculated at a lower rate with 10-year period of the insurance

To most of us the word security conjures up thoughts of intruder alarm systems and the annoyance of continuous ringing bells from the high incidence of false alarms. annual turnover of the alarm industry in 1976, according to the Price Commission report, was about £14m, of which more than 50 per cent was for new installations. It is estimated that since 1920 about 300,000 intruder alarms have been installed in the UK. Currently 150 to 200 companies are adding about 35,000 new systems a year

approved by the National Super-

visory Council for Intruder Alarms.

These approved installers, of whom there are 110, are required to provide a certificate for each new installation and last year about 26,000 certificates were issued. Around 12 per cent of the new systems are inspected and classified each year by the council. In 1972, the first year the scheme operated; only 10 per cent of the installations inspected had no significant deviations from the British Standard, but by 1977 the figure had soared to 61

insurance recommendations had buildings in some of the newer the intention of providing for cover will be transferred to the for 1976, the type of alarm

per cent.

new owner for the unexpired signalling an intruder was: bell only, 34 per cent; 999 system, 50 per cent; direct line to police or a central police station, 18 per cent. Private houses, clubs and small shops accounted for about 36 per cent of all installations, of which the Price Com-mission found that about 15 percent were in private houses. Large retail or wholesale outlets account for a further 6 per cent of total installations by

council-approved companies. Alarms in offices and small trade outlets made up a further 32 per cent and those in industrial companies, in factories and warehouses about 6 per cent. Potentially vulnerable nesses such as banks, building societies, post office and jewel-lers account for a further 11 percent, and doctors—often worried about the loss of dangerous drugs-I per cent of all installations. Public buildings represent about 6 per cent of all installations and public houses and off-licences the remaining 2 per cent.

Although the number of intruder alarms, which have been installed in shops, offices and factories over the past few years has been growing steadily there is still a very long way to go before Britain has the 750,000 intruder alarms which

Rory Ferguson

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for immediate occupation. Three units

standard, 114,000 sq.ft. Units from 5,000 sq.ft. Available Easter 1979. Juno Way, Lewisham SE14 New Industrial Estate, in units from 650 sq.ft. to

4,100 sq.ft. Long and short leases to offer, at attractive rents. Availability immediate. Woolwich Dockyard Estate SE18

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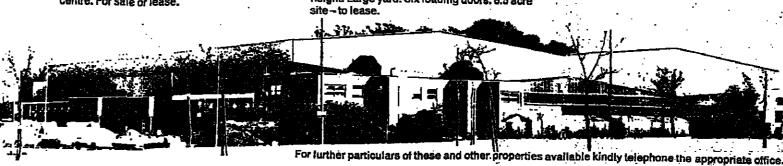
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Puo Sai

Companies happy with the market

The great industrial boom dustrial development. which took off at the beginning of 1977 became the saving grace of the property industry still reeling from the effects of the 1973-74 collapse which left the commercial development giants

much to the specialists such as Slough Estates, Brixton, Percy Bilton, Allnatt London Properwas considered a dull and unglamorous sector which drew potential. The present rent roughtitle attention from either investors or funders looking at less than £1 per sq ft — indicating the historic basis of the Mr. Leslie Smith, its sparking commercial devel-opers. While property shares were the darling of the Stock Exchange heavy investment was mainly aimed at the more exciting commercial sector. Shopping centres and office

trial developers continued to expand their portfolios of industrial estates and the value north west London district of their assets, shareholders of Park Royal. In addition, of their assets, shareholders were demanding that they should embark on more interesting commercial schemes. Shareholders wanted to hear their company directors telling them about massive office projects where tenants were prepared to pay £20-plus per sq ft for space in the City of London. They were not keen then to hear about increased lettings on the companies' industrial estates where rents were as low

as £1 per sq ft, or less. others such as Allnatt London quent development, it is based on the formula of constructing industrial units only for specific tenants and tailoring each scheme to suit financing one. the leaseholder's own requirements. In more than 20 years companies have had a fairly analysts, is an unknown quan-

Today the group has developed about 5.5m sq ft of industrial space which carries a net book value of just under £32m — an extremely conservative valuation. Most experts agree that its portfolio is worth During the period which not less than £60m; however, preceded the collapse industrial the company has not attracted development was left very the attentions of institutional investors.

Apart from Allnatt London's current sound footing, its future prospects look extremely bright, cating the historic basis of the group. Mr. Leslie Smith, its which include Clerical Medical chairman, freely admits that and General Life Assurance, early tenants signed 21-year Royal Insurance, The Royal Pension Fund. In November, 1972 Royal Insurance offered a some of the buildings are con-tributing no more than 50p per

blocks were what investors The company is well placed wanted to hear about, not for future development, how-industrial estates.

Although traditional industhere are about 50 acres of land available for either development or redevelopment, mainly in the Alinatt London has a further ten-acre site in Swindon which it will develop as soon as there are sufficient tenants.

Rein

With a steady rise in income over the next few years, Allnatt London has little problem in financing its schemes, yet it keeps a tight rein on borrowing. Because future developments will be on land the company ss £1 per sq ft, or less.

Some companies succumbed to their shareholders' pressure and sought the opportunities in development. but the company already owns there is no need to borrow money for the purchase of sites and their subsections. Development expenditure has been continued quietly in the indusment expenditure has been trial sector. There is little running at about £1m-£2m a doubt that Allnatt London is the most conservative property company quoted on the Stock Exchange. Founded in the 1950s. group in which the institutions have found little to interest them, either from a share rur-chase point of view or from a

deals have occurred over the past couple of years, in particular the Brixton Estate-Royal

Insurance arrangement.

At one time Brixton Estate's development programme far ex-ceeded its market capitalisation and it was having to fund its mainly industrial expansion through bank debt. This in itself concerned shareholders 1975, Royal Insurance offered a £5m 10-year secured loan to be drawn over a three-year period, and the relationship was further cemented with an additional £5m loan. The price Brixton has to pay for the loan facilities. apart from interest charges, is allowing Royal Pension Fund an option on its ordinary shares which, if fully exercised, could take the insurance company's current holding from about 6.85 to 12.6 per cent.

But for Royal Brixton it Strength appears to be a safe investment. At the 1977 year-end net rents stood at £5.413m, coming mainly from industrial development and

making any takeovers of indusfor shares and demand for space. opers which are extremely successful in their own right. In some cases it has to be admitted that the market in a particular company's shares is not large enough to warrant the involvement of an institution.

One typical company is the Midlands developers, A. and J. Pension funds and insurance Mucklow, which, to many City

OVER THE past two years of continuous development, quiet year considering that the stars of the property sector. barked on a speculative in
the stars of the property sector. barked on a speculative in
the stars of the property sector. barked on a speculative in
the stars of the property sector. barked on a speculative in
that 1978 would be the year of this tightly-run family firm has the takeover. Apart from some this tightly-run family firm has obvious cases in the commercial never attempted to excite the development sector, institutions market. A. and J. Mucklow have shown greater interest in went public in 1965 and despite developing their own industrial its new status has never tried property than in acquiring to over-extend itself or move industrial property companies, out of the area which it knows What has emerged is that some best—mainly the Birmingham extremely interesting financing and Wolverhampton area. Yet over the last 20 years it has efficiently established itself as

a medium-sized development company with a portfolio of about 4m sq ft and a current programme which will add a further 1.4m sq ft to the total. Like Allnatt, London, Mucklow keeps a very tight rem on borrowings. At the end of the last financial year it had no which include Clerical Medical short-term borrowings although and General Life Assurance, a £2m loan had been taken up over the period. A further £2m

loan has been negotiated but repayments do not begin until 1986 which is a very satisfactory situation to be in. As with other similar companies Mucklow is not keen to part with any equity stake in the schemes it does. It is also interesting to see that there is no clear connection with its arrangements and institutional sharefinancing

There are a number of other companies similar to Mucklow which do not attract the attention of either the institutions other major investors-It seems that few, if any, mainly, one suspects, because institutions are concerned at industrial development is not the high-risk business that comtrial development companies in mercial development is. Where the present boom market both institutions have a reasonably substantial holding in an indus-And no interest is expressed by trial development group there the institutions in a number of appears to be little interest appears to be little interest medium-sized industrial devel-mers which are extremely suc-ance company to increase this holding. In certain cases this shareholding has been established from a loan facility base and with the current strength of the industrial market finance can be obtained without either letting go of the shares or giving too much of the development equity away.

Baron Phillips



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Benefits of insulation

THIS WINTER OF our discon- been well ahead in heat saving. it wasted warming the pigeons vantages available to some com that heat conservation was one future of kind of conservation that did Britain.

not clash with economic growth.

The Europeans did realise it.

A member of Brixton Estates, a results of the recent cold wea-

future of industrial building in

company that develops indust ther has been soaring industrial trial property in Britain and heating bills. After years of Europe, says: "The Scandin-mild winters, the sight of heat-

tent may have one favourable of course, they probably have on the roof has prompted conspin-off. It may make many Brithe greatest extremes of climate servative industrialists with a tish industrialists think again about the advantages of better dards are higher than ours too, creases the cost of their invest-factory insulation. Back in 1975, even after our new building ment to take a new look.

when everybody seemed to wake standards. The issue of energy saving has up to the fact that we had an energy crisis on our hands, it dustry are now asking what by the had winter, but by the seemed obvious that more and effect the experience of the new building regulations. Promore industrialists would see last few months will have on the perty men in some companies. Trade union militancy and

dards.

The issue of energy saving has

say they only make compulsory the limit of insulation they al-ready provide and standards must soon increase again to compete with European stan-

It may mean more spending. but it will pay dividends and

panies. The recent talks between government and attempted to determine an economic norm for insulation. The Scandinavians base theirs on energy costs ten years ahead. And there is a feeling in the property business that our levels are still pitched too low.

Insulation under the new regulations would increase the cost of roof covering by 10 per cent to 12 per cent. So far, there are no new rules for glass, which means double glazing is not yet compulsory. But there is a feeling that this will come in future years. At present, roofing represents roughly 8 per cent of total factory building

There are worries that not enough research is being done in Britain into new and better insulation methods. They would probably come more expensive, but heat saving would be greater. In Germany the flat roof, easier to insulate, is more common than the pitched roof, more usual over here.

One property man told me: We would like to provide better insulated factory buildings, but in the present economic situation it is like asking somebody to buy a Mercedes car when all he wants is a Ford Cortina. What we want to get over to the British factory buyer is that spending £1 now on insulation can yield £10

Regulations

Insulation material in this country is mainly glass fibre, an ideal material for the purpose Most of it is home-manufac-tured, mainly by three compan-ies: Fibreglass, part of the Pil-kington group on Merseyside, Cape Installation, and Newall, part of Turner and Newall

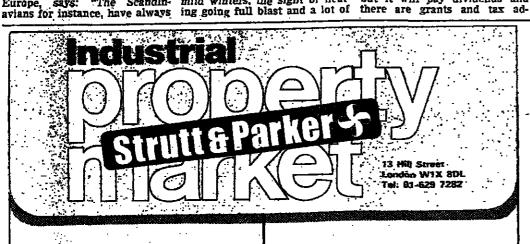
While wanting to help industrialists with energy saving, some property men fear that regulations in the future may become more and more complicated and bureaucratic. One of the problems of facing

insulation research in Britain is the high rate of humidity, particularly around the London area. There have been times in summer when humidity levels have reached 100 per cent and the condensation that results can cause unprotected metal fittings to corrode and maybe fall to pieces in ten years.

People in the industrial build-

ing business do not try to hide such problems. But they do point out to businessmen the future is on the side of better-insulated buildings. It is not easy to produce new ideas. but experts say we ought to have done more than we have in the years since the energy

Alan Forrest



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Dilemma in docklands

obsolete docklands? After years and incentives, some of those most closely involved are begin-

Towards the end of last year one Tory councillor on the GLC suggested that London recognise that the problems of the derelict docks are insuperable. All ideas of grandiose development of all the other factors which should be abandoned, he said, and the area grassed over and there.

There have, it is true, been one or two encouraging pros-pects of pockets of development n some of the country's docks. but overall the areas attract heated discussion rather than concrete building. It is not far short of total standstill when the managing director of one of the country's largest and most successful industrial develop-ment groups says simply that he never identified a single dockland site which meets the criteria of viable investment."

That man is Mr. Wallace Mackenzie, managing director of for instance, are not being built.

Slough Estates. There is a The proposed Tube under the transparent logical progression river is bogged down in central in his explanation. "We don't Government opposition. Vital see dockland sites ending up residential services from hous-

phenomenon but he, or a senior

executive carrying out similar

functions, is making his pre-sence felt in a growing number

The increasing interest has received a substantial boost

from the economic conditions of

the past decade. The recession

and the jump in transport costs

induced by the oil embargo have focused corporate attention on

cost-cutting. The size of the

potential cuts available through

efficient handling, storage and

dispatch of manufactured goods

has surprised many company

Computer technologists have been working on the problem of vehicle scheduling since 1963. Recently, by using, mini-computers, it has become possible to simplify and streamline.

to simplify and streamline

scheduling procedures and link

them with other work such as

order picking.

A typical package, developed

scheme by Scicon and known as

Vanplan, has produced some interesting cost cuts. A study

in the middle of last year on

could do for a company with

many vehicle and depots-in

this instance a major 50-depot

food distributor-showed that

compared with manual schedul-

ing, the Vanplan approach could save the company £250,000 a year in costs of wasted journeys.

inaccurate loading, inefficient

use of available goods vehicles

and so on. The system would cost the particular user around

But more efficient systems of

assembling loading and dis-patch are only part of the area available for cost cuts. The local

collection and delivery of less than full loads by trucks costs about four times as much as

that of long-distance transport in terms of pence per ton mile.

Consequently, the sooner trunk loads can be consolidated and the further the trunk vehicles

can travel before unloading for

local delivery, the cheaper will be the total cost of transport.

So the physical distribution manager's function has ex-panded to include consideration

of not only his in-house systems for vehicle scheduling and order

assembly but also his company's interface with long-haul trans-

There is a further link in the chain; that of materials manage

ment. Essentially this is supervising the procurement of raw materials, stock control, production control and quality control. Here again there are cost cuts available through more efficient materials handling processes.

New equipment is making different space utilisation methods possible. For example, a light duty reachtruck of one

tonne capacity recently added to

the Atlet range has telescopic

materials handling processes.

port systems.

£25,000 a year.

Transport

interactive equipment

of UK companies.

demand for space in such areas not viable until there are people of discussion, high-powered at the right price. And the to use them and the people study teams, special committees reason for the lack of demand won't come until there are jobs

and services in these areas."

Mr. Mackenzie points out that
the prime consideration for an industrialist is the ability to carry on his business profitably. The availability of a factory in

THE PHYSICAL distribution independently of the mast. With manager is still largely a U.S. the use of these forks it is now

Services

A factory unit by itself achieves nothing unless the surrounding communication and local communications. surrounding communications and local services are good and there is a pool of staff. If those facilities are absent building a factory makes no sense and will not attract tenants.

Mr. Mackenzie does not believe that there is any prospect of the vital facilities and services being introduced—at least for many years. The motor-ways into London's docklands, Vital

possible to offload pallets from

one side only of a vehicle, to reach pallets stored in double

tiers of racking from a single

available for racking) and,

because of its narrow chassis,

stacking can take place in a

The equipment and the tech-nology available to the physical distribution manager enable him

to minimise storage and distri-

bution costs. But the biggest single parameter governing his job and the one which he is only

just getting an element of

control over is the shape of the

building in which the goods are

produced, its location and the

distribution infrastructure -

both internal and external-

It is difficult, if not impos-

sible, for any executive to do

much about a building that is

already completed and occupied.

If it is a pre-World War II con-

struction it is likely to have two

or more floor levels, narrow

loading bays, limited access and

little or no area for trucks to

stand, waiting to be loaded. It

is unlikely that it can take

modern long-hanl transports and modifications to enable it

to do so would be expensive.

buildings started to change their shape. Roads were redesigned to enable them to

take greater weights, operations

started to spread out horizont-

ally rather than vertically and

loading bays were redesigned to give flexibility in regard to

All this was made possible by improvement in transport

baulage which enabled manu-facturers to shift out of rela-

tively cramped vertical city

centre sites to larger horizontal

fringe areas. The trend was

accelerated by a growth in the number and sophistication of

property development com-panies which saw potential profits from the design and

played its part in the industry movement by encouraging

decentralisation through the

assistance given to new towns. The developers and town

of time to studying industry

sign and transport services required. And with a variety of

available at competing rentals

and with increasingly impres-

sive facilities, manufacturer

began closer analysis of their

The aim of the exercise, for all the parties involved, has

been to find ways of cutting the

cost of getting essential services and raw materials on to the site, pushing them together with labour in the most effi-

cient manner possible to pro-

duce an end-product that can

be dispatched to the custon

specific requirements.

construction of estates. The

particularly road

industrial Government

facilities,

In the fifties and sixties

attached to the building.

gangway of only two metres.

(doubling groundspace

residential facilities are there. Meanwhile there is talk of a new bridge across the Thames downstream of Tower Bridgea matter of critical importance to industry now that Tower Bridge has been closed to traffic heavier than 5 tons (unladen)

two big schemes still on the boil. News International is being enthusiastically supported by the borough of Tower Hamlets in its plans for a 1m square foot £50m development on its 13-acre site in Dennington Street. It is proposing to build some 776,000 square feet of industrial space on the site, with 168,000 square feet of accompanying offices.

An even bigger scheme, however, is in some jeopardy. Mr. Peter Shore, the Environment Secretary, has ordered a fresh But fresh ideas are lacking investigation into the proposals. The proposal to make the area

Changing shapes

IS IT proving impossible to being good investments because ing to shopping are caught in by the Texan group Trammell regenerate the country's there is not an adequate the vicious circle that they are Crow for a £60m international trade mart in the Surrey docks. The concept involves redeve-

reason for the lack of demand won't come until there are jobs loping 133 acres of derelict is the lack of sufficient facilities and services in these areas."

Mr. Mackania resistances."

won't come until there are jobs loping 133 acres of derelict for them and the jobs are not docks into a complex which going to materialise until the would include a 6-storey 1,000 unit trade showcase covering 6m sq ft. The problem is that the developer is prepared to put only £5m of his own money into the scheme, so in order to go ahead the scheme would need considerable Government backing- (probably by way of

guarantees). Both the City and industry have reservation about the pro-posals and the Industrial Development Advisory Board has already prepared a report which throws doubt on the commercial viability of the

Apart from these two plans then London's dockland remains in much the same state as it has done for years. The new Dockland Joint Committee (DJC) has spawned a further streamlined executive committee comprising the leaders of the five London boroughs in-volved plus the leader of the GLC, and Sir Hugh Wilson, chairman of the DJC.

But fresh ideas are lacking.

of offices where these new tech-nicians can be housed. Changes in staff amenities have also

brought changes in building

design. No modern factory

complex would be built without

There is also the upsurge, particularly in this decade, in awareness of a factory's impact

on its immediate environment

both visually and in terms of its

waste disposal methods. Modern

Not all the aspects of build-

staff canteen or ablution

disappeared again under the

wider concept of aid to inner areas generally. The concept of creating a Docklands New Town Corpora-

tion, with all the powers of attraction which new towns have, was still-born. Meanwhile the Port of London Authority has already wrung permission from Government to

close the Royal Docks and it is only a matter of time before it gets its way and closes its Millwall and the Indias. One fresh hope comes in the form of revivals of ramours that the GLC is quietly planning a new east-west lorry route to link dockland with the M40 via the

City. And of course the M25 orbital route is pressing ahead in patches.

Routes

Ironically, those lorry routes could further discourage developers from looking at sites actually in the dockland zone, and encourage them to prospect for potential along the routes

Since 1974 the statue books have included the Dock Labour Act, which established a halfmile wide corridor alongside all the country's ports in which cargo handling is presumed to be the privilege of registered

The Act has not in fact come fully into force. Aspects of it have been defeated in the House and show no signs of being revived. However, one aspect is in train. The National Dock Labour Board has the power to investigate any cargo handling work within these corridors and, within certain parameters, define it as dock work.

The effect of this has been

to inhibit lettings of industrial premises within the corridors. As one developer put it: "The Dock Labour Act has made it advantageous to build on one side of the dividing line and

not the other."
What worries tenants is the uncertainty. Because there are no clear-cut definitions as to what work is classified as dock work they fear that if they move into the corridors jobs which may have been freely offered may be defined and controlled by the dock labour authorities.
Within the context of loca-

tions decisions, on the other hand, this is a minor factor. If it were the only disadvantage of the docks distribution, com-panies might well risk it in order to be located so close to their markets.

But communications into and out of the docks-even for local distribution-are poor and look like remaining so, and resi-dential facilities and other services are also under-supplied. The cocktail, therefore, is not

to most companies' taste and the reluctance of developers to build in the areas merely Christine Moir

Lquipment

costs and transport fees.

Trucks have become large so

loading bays have been ex-tended. Materials handling

equipment has improved, so the

size and shape of factory floors has changed to accommodate alterations in the production

system. Packaging methods and

processes have also changed.

There is a greater degree of automation in all the functions

and a growing tendency to have

Air-conditioning has become necessary to ensure a regular temperature for sophisticated electronic equipment. More complex fire and burglar detection equipment has become necessary. These devices have meant changes in building dethrough modern factories.

The changes have also meant change in staff numbers and job types within the industrial centre. More sophisticated production equipment has meant a drop in the number of unskilled workers and a rise in the number of skilled and semi-skilled. It has meant that the modern

complexes have areas set aside for landscaped gardens and effort is made to ensure that systems controlled by computer. All this has meant further changes to industrial buildings. the facade is not a local eyesore. The growing use of cars as a principal medium of transport has meant that factories have to have parking facilities available.

with the least cost in terms of factory also requires a number inventory charges, handling of offices where these new tech-

ing design, therefore, are the preserve of the physical distribution manager. But as the function of any company is to produce and distribute its proas possible, he does have, or should have, the major voice in site selection and development planning. The environmental aspects and employee parking may help productivity but when it comes to cost cuts physical distribution is the key element.

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INDUSTRIAL PROPERTY VII

This and the remaining pages of the Survey carry a series of articles reviewing market trends throughout the regions of Great Britain-including rent levels, the volume of inquiries and development projects.

South East

Firmly in favour

TRADITIONALLY, THE South-East is one of the more active areas of the country for industrial development. Last year was no exception with agents kept busy throughout 1978 by steady, if undramatic, demand. Despite the encouragement to 'set up shop" in other parts of the country which desperately need fresh industrial development, the area close to the capi-tal remains the favourite for a the UK and overseas.

The gradual upturn in demand has been reflected in rents, prices and the quality of the property available. At the beginning of 1978 the range of properties on the market was slightly different to those available now. A year ago property portfolios contained a few white elephants, according to Jones Lang Wootton, but developers have been buying up freehold sites over the past year and turning many of them into prime property.

Rents understandably have reflected the continued build-up in demand. Developers in the main industrial regions of the South-East are anticipating prices about £3 a square foot but this figure is still some way off Rents have probably increased by at least 12 per cent over the last 12 months while some rent reviews have been over 20 per cent and a steady increase is projected for the future.

Review

than some of the agents, however. The centre predicted in its review last October that Rents in West Sussex are always industrial rents would rise by a bit higher than in the east. For 14.1 per cent in 1979, but expected this rate to fall to 6.4 are struggling to let brand, new per cent in 1980. Over the next industrial property at £1.55 per five years rents could rise by a sq ft. But in Horsham gent third, it suggested levels are up to £2.

Most of the activity has been among the smaller units during seen a significant increase in the past year and this trend is demand, but the one big problikely to continue. Jones Lang Wootton picks out an industrial Orpingion as an indication of come from electronics comthe sort of rents that can be panies keen to get into the area. achieved. Smaller units of about However, once these companies 4,000 to 5,000 sq ft with little are faced with problems of office accommodation have been attracting labour. For example, going at £2.50 a sq ft. Larger in Crawley they have to com-ones of 8,000 sq ft and over are pete with the high wages turning over at £2.25 a sq ft. offered at Gatwick Airport. This is the sort of rent that industrialists have to pay for prime sites and cheaper sites obviously can be found—as little as £1 a sq ft in some cases, but certainly not prime property.



Although companies are moving to Sussex, where there has been a considerable increase in demand for factory space, they have to compete for their employees with the high pay offered at Gatwick Airport

they went very quickly.

Of course the South-East covers a wide area and exper-ience varies vastly within it. For example, agents White Ovar The Henley Centre for Fore- and Company, whose area casting is a little less confident covers Surrey and Sussex, can point to strong regional variations even in those two counties.

> lem has been in finding manufacturing units under 25,000 sq

White Ovar says that it has

Prices have shot up in some areas. At Burgess Hill a factory unit of 11,000 square feet gross has been sold for £270,000 and another of 8,700 square feet fetched £235,000. Both were ask-Bernard Thorpe and Partners ing prices and the vendors themconfirms the buoyant trend in selves evidently were surprised

industrial property. It recently at what the two factories hard line and are unlikely to let nine 5,000 sq ft units in fetched. In both cases a price consider yields much below 7 Basingstoke at £2 per sq ft and of about £40,000 lower might per cent.

have proved acceptable. In the Reigate area, agents Idris Jones also reports plenty of interest but again the complaint is a lack of space, especially at the smaller end. Idris Jones has recently handled five units at the Redhill Distribution Centre near the A25. Most were in the 21,000 to 22,000 square feet range though they can be divided into 10,000 square feet or even 5,000 square feet areas. Rental on a split unit is about £2.25 per square foot dropping to £2 for a complete factory. At Rease Pottage, industrial units are being let at about £2.20 per

The higher rents represent a significant increase but yields re dropped appreciably. In 1978 prime yields fell well below 7 per cent from say 8 per cent at the beginning of the year and in some cases the return was as low as 6 per cent for prime property. This sort of drop reflects the market's expectations that rental rates will rise still further before long. The Henley Centre in its re-

square foot

view reckoned that purchasing yields on all three types of commercial property — shop, office and industrial—would be under pressure for the next couple of years. The magical £3 a square foot rental for prime property that people are looking for may seem a substantial jump on the current figure of £2.50; but when taken in the context of the next rent review the compound growth rate is

far less impressive.

The shortage of sites for the institutions to channel their money is one of the main reasons behind the rise in rents and prices. However, Bernard Thorpe, for example, says that some institutions are taking a

Some market men believe. therefore, that the prospects do not look particularly bright for the maintenance of such yield levels, especially with inflation apparently set for an upswing.

But there is no longer much over-capacity in the property market and in some cases, par-ticularly small industrial sites around the 5,000 sq ft size, there are shortages.

Institutional money is still chasing property and that may well keep yields low. Industrial property has particular appeal to small and medium-sized funds, and the smaller units especially are attracting the institution's attention. This fits in well with the current trend to a drive to regenerate British

Improving

A year ago confidence in the roperty market in the South East appeared strong. The past 12 months has justified that optimism and the question now what is likely to happen during 1979. Rental levels are improving and yields are point-ing to a continued increase.

Most of the agents remain optimistic, though any optimism must be tinged with a hint of caution in the current political climate. If the Government puts a squeeze on company profits by price controls and continued high interest rates, this may hit plans for industrial investment. Many companies must be shelving expansion plans while the current problems continue, though whether this will be only temporary remains to be seen.

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Terry Garrett

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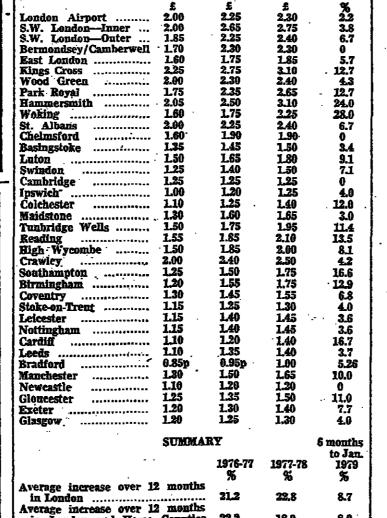


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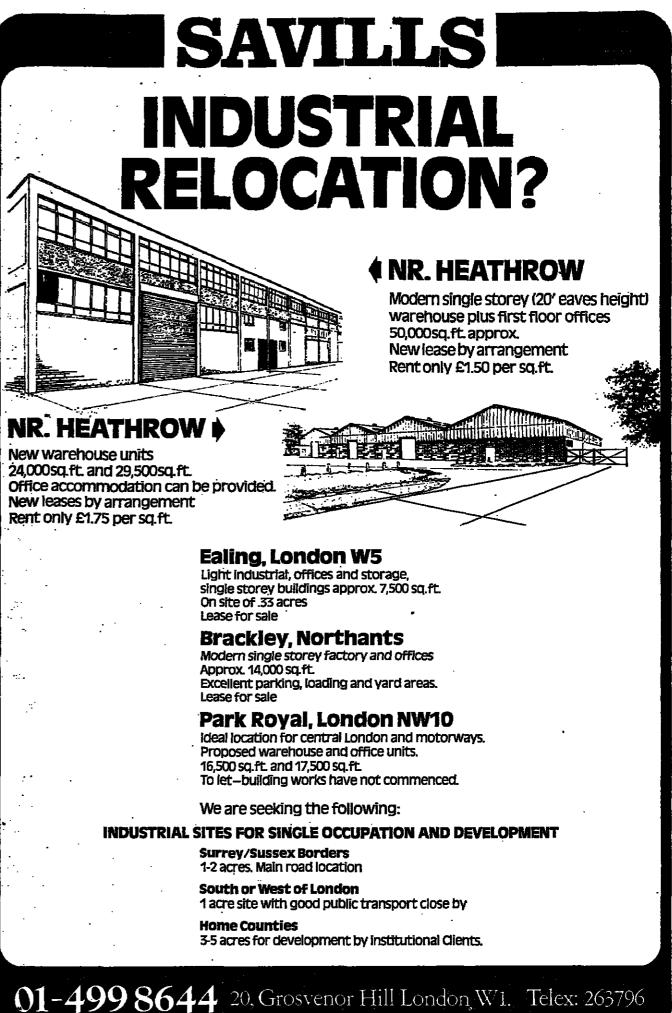
in London and Home Counties

Average increase in provinces ...

Average increase overall

Source: Grant and Pariners

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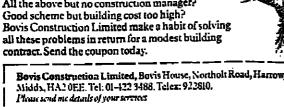


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London—1

Trend towards storage

THE PAST few years have seen cent of factory space initially. an interesting switch in property interest in London away from office development and

towards industrial development. Many factors lie behind this factory usage. Not only have fashions in office development changed but the very name itself has uncomfortable associations with the not-so-distant past.

Industrial development, on the other hand, has benefited from the renewal of urban centres: such developments, moreover, are often cheaper to build and easier to let, in that it is not necessary to develop the entire site at the one time.

Fears

Whatever the reasons may be, there is no doubt that London's industrial property sector looks fairly healthy just at present. Rents of £2.50 to £3 per sq ft Rents of £2.50 to £3 per sq 1.

are widely recorded, against only £2 as recently as 1978. indicate that the peak has Dron and Wright commented passed by, as far as Heathrow is concerned. Rental growth

There are the usual fears, which have become stronger in recent years, that industrial development within 50 miles of attractive for companies to keep London leans too heavily their stores in the area, when towards warehousing and not a journey down the motorway enough towards factory space, brings cheaper workforce. enough towards factory space. This is undoubtedly true—most developments aim at only 10 per

Norwich Yarmouth

Lowestoft

development in these areas has not yet provided the driving But it is hard to see what can be done about it. The objections to warehouse concentration are that it creates few jobs in the area, compared to the effect of

Yet the London area becoming more and more a service and storage area, served by the air and sea links, and it difficult to see where new jobs in heavy industry are going to come from, whatever the property developers do or fail

It is the trend towards storage that made the Heathrow Airport district one of the busiest for the property developer over the past few years. The demand for warehouse space, with easy access to the airport, seemed insatiable until fairly recently and it was in this area that the rental take-offs were

last week that there was "not is concerned. Rental growth much around now under £2 a there has slackened as demand was met by the rapid growth of There are the usual fears, which have become stronger in that labour costs in the airport that labour costs in the airport of the cost of the stronger in that labour costs in the airport when the labour costs in the airport was finely made it less district have finally made it less

Anxious

Thus, while some of the very newest developments around Heathrow are managing to command the £3 per sq ft bracket demand lower down the scale seems to be softening. Closer to London,

property tends to be older and with labour costs still a major problem, industry seems longer quite so anxious to take up storage space. The most favoured areas are the in-hetween areas-Sunbury, and Kingston, for example. Here, the best premises still command top prices.

Observers think this situation is unlikely to change while London continues to attract its daily quota of office workers, each of whom boosts the market for restaurants, pubs, cafes and the like, all of which need daily or weekly servicing from warehouses within comfortable

In the centre of the City, it

market in London, as elsewhere in the country, has been healthy

over the past year, with en-

couraging rises in rents and land prices for the best pro-

perty, and a consequent drop in yields.

However, it would be a mis-take to look at the market as

one unified sector — in reality

it consists of a variety of local markets, and within these a variety of building types whose

value changes depending on age, design, and so on. There

is probably a greater combination of very old and very

modern industrial units than in most other parts of the country, for both historical and planning

One of the foremost post-war

industrial property developers,

Ronald Lyon, recently de-scribed the factors which ham-

pered modern development in London during the 1950s and

1960s, particularly the planners' attitudes towards old industrial property.

These general trends have

been formalised in the latest Government plans for the south-east of England. The plan east of England. lavs stress development.

And, almost as if the Government had read the minds of the industrial property developers, the focal point is seen as the M25, providing a link from Heathrow to the M1 and to Gatwick airport.

Moreover, the need to halt the exodus of industry and population from the centre of London is recognised. Transport policies are to be attuned to these problems.

There is some redevelopment of older industrial properties, particularly in the east and south of London. In Greenwich and Woolwich, rents have moved up over the past year from £1.75 to £2 per sq ft. Much of this is for renovated property which is finding takers without much difficulty. The local authority has been active in Greenwich, but mostly in the form of leasing property industrial users.

Some concern was expressed that yields, now standing around the 61 per cent mark, are below traditional levels. While both the stock market and the property industry itself continues to take an optimistic view of yields, there is a possibility that property could soon be hard to let on these yields.

It is still the East End where traditional industries — largely those involved in the clothing all predictions and cling on.

These industries are usually formed into small units, depending on small pockets of local labour, and have proved a steady source of demand, often for the older multi-storey fac-tory buildings no longer favoured by heavy industry. But, industrial property developer

There seems a better prospect in the industrial belt to the north-west of the city. Rents of £3 a sq ft seem well in prospect and are readily taken up on the best sites. However, this level

London—2

Another slightly older area to directly counter to all Governbe finding supporters just now is the Park Royal estate. Rents here drag behind the best areas elsewhere, but there are a number of new developments in hand. One problem is that the area's infrastructure has not kept pace with the times—the

road system, in particular, leaves

ment intentions.

Confidence in the London

property sector remains high

and is likely to continue so

This is, in part, because the

sector is not tied so directly

to the UK industrial perfor-

mance, as are some other areas.

financial and tourist centre now

almost guarantees a growing

demand for service industries

which are cushioned to a great extent against the buffets of industrial adversity that are so

much more quickly felt further

The only reason for disquiet at present is that yields are disappointingly low in many spots and the leading institu-

tions no longer find it easy to dispose of their funds. For the

country as a whole, this may be good. But it casts a slight

cloud over the London market

London's pre-eminence as a

a good deal to be desired. In the East End properexcluding the dockland schemes —the most interesting prospect for the future is the Jubilee Underground rail line, and the plans to build more roads. The Jubilee Line is at the advanced planning stage but has yet to make its impact on the ready property market.

Looking further afield. Sinclair, Goldsmith reports good progress with its developments at Heathrow, Reading and Swanley. It confirms the view that Heathrow is beginning to slip back from its lead by for industrial property reporting that some units in the area have been let at £2.

Attractive

The entry points for the M1 motorway around the Edgeware region are proving attractive for warehouse property, with industry paying up to £2.75 for the new units.

Several sources commented that the importance of the motorway network to industrial property values had yet to be fully appreciated even within the industry. This trend is likely to strengthen as industry in the south continues to look for storage space rather than factory buildings. But it was widely remarked that London sector-have managed to dely is better placed than some other areas of the country in that transport is often in the hands of the companies owning the warehouses, so that supplies are less vulnerable to strike action.

One interesting subject is the prospects for a Channel Tunnel or Bridge—an evergreen topic of speculation, both in the City unfortunately, the demands of and elsewhere. Such a develop-this type of industry on the ment would greatly emphasise the trends already present in London industrial property.

London, as the warehouse centre not only for its own connurbation but perhaps for a large part of Europe, would indeed be a daunting prospect. Factory building might come to is dockland which theoretically of rental still leaves yields look- a halt, leaving the south a land offers the best opportunities for ing somewhat suspect in the of warehouses. It would also, industrial development. But current inflationary situation of course, create a situation

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The Industrial Property Market 1978

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Expanding

It was difficult frequently to obtain an industrial develop-ment certificate for a single storey development if it meant knocking down an old multistorey building, even though an industrial use already existed

This was all part of the getthe-industry-out-of-towns policy pursued to nobody's advantage, except those companies which were expanding and needed the more open communications links being provided by the new

Certainly for small firms, the policy was one of disaster, and fortunately the trend largely has been reversed, although there is some residual opposition to developments which undoubtedly provide the amployment potential badly needed by

the capital.

In fact, many London boroughs are now actively encouraging, through their own development or through support of private developers, schemes which provide small units for small businesses and even crafts. Islington Council foot.

INDUSTRIAL property has been active in this respect, as has Wandsworth—and both expect economic rents from

Reversed policy

Developers themselves are finding encouragement from organisations such as the Greater London Council's London Industrial Centre, which is taking active steps to pro-mote and develop the Dock-lands along with boroughs like Newham, which is promoting development at Beckton.

There is still controversy over the massive complex pro-posed by the American Tram-mell Crow group for the Surrey Docks: with luck it should be resolved this year. Whether it is or not, the main

problem for Docklands, as with the other parts of east Lendon which certainly need industrial and warehouse development, is poor communications. This situation is unlikely to be resolved for several years unless central government decides to put a massive investment into road and rail links and to speed up the proposed development programmes.

By contrast, areas of heavy activity on the property front are west and north west London. Demand is strong for units up to 20,000 sq ft north of the Thames in the suburban boroughs. To the west, Park Royal is becoming popular, with rents beginning to near the £3 per sq ft mark. New schemes are replacing the pre-war areas. buildings which are obsolescent now, mainly because of eave heights, and the industrial estate type of development is taking over from the buildings which once housed big name manufacturers.

Development, as elsewhere, has moved along communications links, and it is no surprise that Heathrow continues to attract interest, with reveral schemes started over the last is complete. 12 months. Success here is not guaranteed, though as some developers have found to their cost, and an oversupply of larger units has depressed rents on some estates. Depending on size and location, units now bridging the gap. fetch up to nearly £3 per square

lower, with north west London showing strongly, prime units fetching up to £2.75 per square foot. And high prices are being paid for sites in this area, with prices going up to £200,000 per acre (just outside London they are even higher).

Some agents report increased

demand from industrial rather than warehouse users during 1978, which is an encouraging sign. Allsop and Co., for example, notes a brisk market towards the end of last year, and forecasts a continuation of the trend this year. Pockets of over-supply, for example round Heathrow, should be taken up, and Allsop expects rents to move into line with the general levels of those in Cricklewood and Croydon areas.

Potential

Allsop also floats the idea of a distinctly two-tier market emerging, with high rents for new space in prime locations, and disproportionately low rents for older property in secondary locations. But in the long term, there are still many problems which need attention before London can fulfil its potential as a truly modern industrial capital. For one thing, surveys have suggested that occupation of much old industrial property is alarmingly low — perhaps as low as 20 per cent in some

Quite apart from the communication problems of Docklands and the east London boroughs, we still have no road in London equivalent to, say, the Route Peripherique round Paris, unless you imagine the North Circular and South Circulars roads provide any comparison. The outer ring road is slowly making progress, but it will be some years before it

Given this, there is still some reluctance to finance development in anywhere but the best areas, especially speculative schemes. Hence the importance of the local authority role in

Paul Finch

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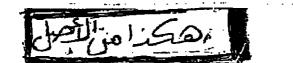
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INDUSTRIAL PROPERTY IX

North East

Public sector leads

or the Midlands despite accessible to the A1(M). As a with 1,367,000 square feet in the private sector and range from 75p to £1.10 per square from 75p to £1.10 p According to a leading local igent, less than 10 per cent of the new industrial space available has been built by private developers, the rest being built by public authorities, predominantly the English Industrial Estates Corporation and local authorities. Considering the Development Area incentives given to industry such as rent-free periods and the lower rents charged by the private sector, it is not surprising that private developers find it hard

However, the situation is very different in the case of ware-housing. With most advance units in the public sector being parmarked for manufacturers, companies seeking warehousing turn to private developers. Recent indications suggest an upturn in demand, especially for small units, and it is possible that some shortages will develop: for building by private developers is still at a low level because rents of £1 to £1.50 per sq ft are hardly an incentive to start new schemes. Further-more, potential demand is far more limited than in the South

Factories to let - ` "

Service

oil which require purpose built quayside facilities rather than standard-unit distribution depots.

Recent road improvements have brought Teesside within day-trip distance of the southern outskirts of Edinburgh and local agents hope this will boost the area's attraction as a distribution centre. The main activity in warehousing occurs close to the A19 and the British Rail Freightliner depot and a num-ber of development schemes are under way. But demand is still confined largely to smaller units, for which rents of up to £1.30 per sq ft are achieved and for which local agents Storey Sons and Parker suggest that demand is currently running ahead of supply. But larger units are still hard to let even at rents of £1 per sq ft.

The past few months have seen an upturn in demand for warehousing in Newcastle, especially on the south side of the Type. According to Bernard Thorpe and Partners, there is a tendency for companies in-volved in warehousing and distribution to choose to be of the river and

The majority of modern warehouse space available is north of the Tyne but even here it is diminishing. A couple of large units of 20,000 to 30,000 square feet plus several smaller ones are all that remain available on the Tyne Tunnel Trading Estate which is situated just half a mile from the Tyne Tunnel entrance. Rents achieved range from just over £1 per square foot for larger units to £1.30 for smaller ones. The market for small units has improved rapidly in the Newcastle area, especially for industrial space and Bernard Thorpe and Pariners say they have agreed a rent of £1.50 per square foot for a small site close to the city centre while asking rents of £1.25 per square foot are being quoted in several instances.

Closure

Overall, the amount of warehousing available in the North-East shows a continued fall while the amount of new indushas increased. In its latest feet are planned.
survey, King and Co. shows The level of rents paid by the
that in December 1978 about corporation's tenants are based 1.227,000 square feet of warehousing was available compared are far lower than anything in

more than three-quarters let available rose from 4,812,000 small nursery units. One such and a further 30,000 sq ft is to square feet to 4,947,000 square scheme is at Hawick Crescent,

The reason for this increase

is not the slackening of demand for new buildings but the closure of major factory com-plexes resulting in more second-hand space coming on the market. Much of the new factory building in the North East is undertaken by the Government's English Industrial
Estates Corporation and its
figures for 1978 show a clear
improvement on 1977. The
amount of space built by the corporation was about the same as in 1977—about 700,000 square feet. But lettings total-ling 990,000 square feet were achieved with 99 new companies taking space, a much higher figure than in 1977. The corporation also approved expansion plans for 25 of its existing tenants, covering 525,000 square feet. With lettings running ahead of new building, the backlog of empty space built up since the 1974 slump is slowly being cleared and a further 88 units totalling 482,000 square feet are under construction by the corporation. Another 128 and warehouse building units totalling 580,000 square

"market levels" but they

Newcastle, where Indescon has leased a site from the city council and hopes to obtain rents of £1.25 a square foot. In the Middlesbrough area, small units up to 2,500 square feet have fetched £1.40 a square

The new towns of the North East, Aycliffe, Peterlee, Wash-ington and Cramlington, have had varying degrees of success in 1978. A notable coup for Cramlington was the decision by Boots to build on a 90-acre

However, the North East still has to push new developments to make up for the loss of traditional industries. The decline of steelmaking in Hartlepool has led the British Steel Corporation to promote its existing sites as new trading estates, with the aid of the English Industrial Estates Corporation. Because vast sites such as these are becoming available, land prices remain low and there is no risk of the supply of sites running out. It is hard to see private developers making much head-way in view of the amount of building by public authorities, but there are opportunities in the field of warehousing and the provision of small factory units.

Michael Goodman

North West

Successful hard sell

among themselves but also with other regions and towns. These few years. days an industrialist will find The imp hat areas such as Merseyside 18 months has been particularly will not only extol the location and communications but also the environmental virtues.

During 1978 the North West aw a remarkable increase in the level of inquiries from existing companies in the area which were at last looking towards expansion, and the long-awaited inquiries from industrialists outside the North West began to come. Probably the most successful district was Warrington New Town where nearly half a million square feet of factory and office floor space was built in the year to March 31, 1978.

Last month Warrington announced that during the financial year starting April 1979, it plans to build more than 1m sq ft of offices, factories and warehouses. The pro-gramme should provide more than 1,500 jobs and involves the construction of 184 factories and offices ranging in size from 500 to 110,000 sq ft and using 68 acres of land.

Warrington New Town has developed a total of 2.36m sq ft of factory and office space, attracting nearly 100 companies, 28 of them from Europe and
North America.
Merseyside is a Special
Development Area and as a

result considerable incentives are available to manufacturers and certain service industries which come into the area. This combined with the now effective campaign to attract industry, is breeding more confidence among developers and a number of new estates are in the planning stages or already under way.

Demand is high for the numerous advance factories now being built throughout Merseybulk of the demand tends to be and warehouses which come on industry's present-day requirements. It is still very difficult The estate is to be built on to find tenants or buyers for just under an acre at Ancoats: older multi-storey properties. Because of the area's high level of unemployment institutional investment in completed and let property in the past has been minimal; the fear of longlasting voids in investment portfolios made investment un-

positive contribution to Merseyside by investing in new parking for more than 40 cars, projects, and yields on some Although rentals for indusindustrial schemes have been below 7 per cent.

year several of the major funds,

THERE CAN be few regions are being gradually overcome, are no longer waiting for prewhere competition among local and there has been a need first lettings before embarking on authorities for the favours of to dispel some of the myths and any industrialists seeking new misconceptions held by those for example, Jallamshire factories and warehouses is who do not know the area or its fiercer than the North West, people. How successful Mersey construction division of the But not only are they competing side has been in doing this will Burnett and Hallamshire group.

> marked in the country's largest and longest-established industrial estate, Trafford Park, Manchester. Continuing motorway developments in the North West have helped to re-establish the popularity of the estate, and this has been reflected in a whole series of "estate within the estate" developments to meet demand. Despite the high level of current building and of schemes soon to be started, demand has continued to outstrip supply and there is at present a shortage of modern building available for imme

diate occupation.

But even with this steady demand, rents—to take an example—for a factory with 68,772 square feet of clear span floor area and 4,000 square feet of the square feet of of integral offices, are still below £1 a square foot. The agents involved with this particular factory, Edward Rushton Son and Kenyon, tell me that the rent also includes 2.5 acres of land for open storage or further

building.
It is often said that the level of inquiries for industrial space is a reliable measure of the country's economic wellbeing and some property experts believe that an even better barometer of future demand is how well very small units let Few developers can be bothered to build factories or workshops with less than 1,000 square feet of floor area: such schemes usually have a greater manage-ment problem because of the high turnover of tenants.

Enthusiastic

Nevertheless, there is tremen dous demand for small industrial side. Rents have increased con-siderably during the past year and lettings equivalent to £1.25 a sq ft are not uncommon. The premises and to cater for it in which will provide an opporfor factories with floor areas tunity to lease space of less than between 5,000 and 10,000 sq ft. 1,000 square feet. The joint There is also an encouraging letting agents for the project demand for existing factories Elliott Fifield and W. H. Robinson, are enthusiastic about to the market, providing they interest in the scheme which is are in good condition and meet still only at the detailed plan-

A detailed planning application has been submitted to Manchester's planners asking for permission to build a total of 15,000 square feet in 11 individual factories with floor areas ranging from 950 to 3,000 square feet. Leases will be for 21 years attractive. But over the past and rents will start at £37 a week. The estate will have the including some of the larger facilities found on most modern pension funds. have made a estates including space for turning large articulated lorries and trial property in the North West elow 7 per cent. region are generally below Those responsible for attract—what is regarded as the level to ing industry and commerce to make fresh developments viable Merseyside are doing a splendid in some areas of high or job in the most difficult conditions. The acute social and possible to build speculative rions. The active such are factories and warehouses; and part of the Merseyside scene there are signs that developers

new projects.

For example, Jallamshire Industrial Estates, part of the construction division of the become evident only in the next is to develop 250,000 sq ft of factories and warehouses in The improvement of the last Bury, to the north 75,000 sq ft, in units of 5,000 sq ft upwards is expected to be ready for occupation next summer through the letting agents Richard Ellis.

Rory Ferguson

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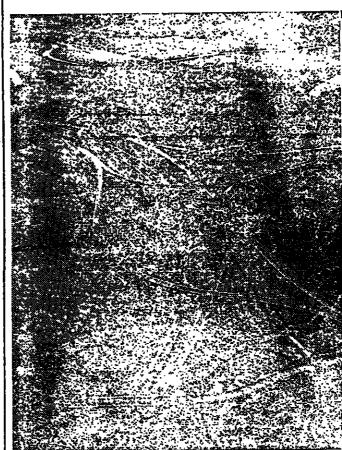


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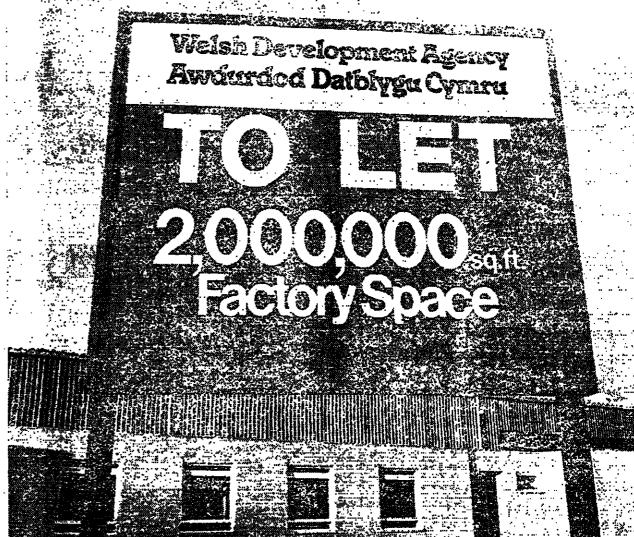
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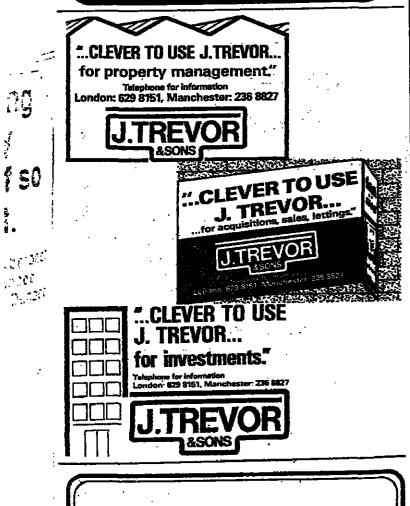
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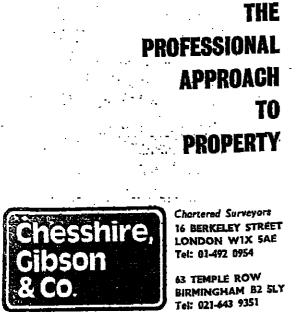
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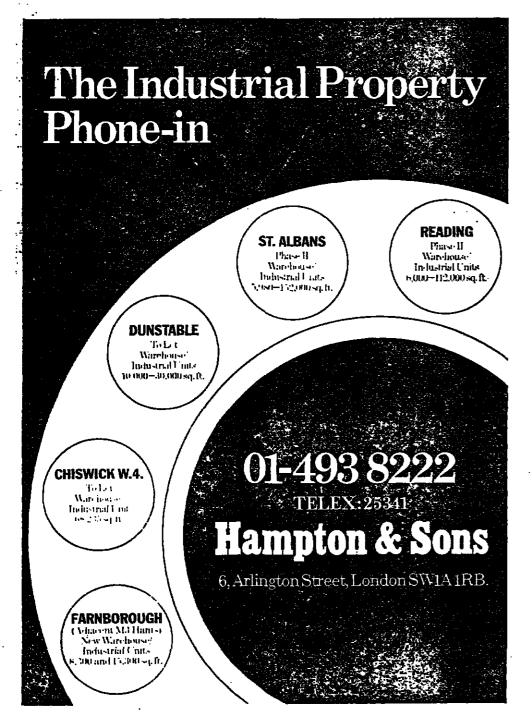
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26 NORDIC Mardon



West Midlands

Confidence increasing

agents and developers in the West Midlands have been sounding increasingly confident since the middle of last year. At the latest round up of opinions, this confidence remained sturdy, and was well supported by rising rental values, a good offtake of pro- £1.20 to £2 a square foot. perties and sites, and by a steady pace of new developments in hand.

But the region shows no indication yet of escaping its background of heavy involvement with Britain's much-battered motor industry, and the heavy and light engineering sectors so closely linked to the fortunes of BL (formerly British Leyland). The strike of Britain's lorry drivers, with its consequent threat to industrial production, brought an immediate check to confidence in the industrial property sector. Agents were quick to sense that industry would hold back on its development plans until the outlook cleared. Such is the sensitivity of the area's pro-

The relatively calmer atmos-

phere at BL, which is progress-ing with its new Rover and Mini production factories, has undoubtedly helped morale in the past year. Throughout the region, agents were reporting a comfortable offtake of the traditional warehousing/industrial mixed development at rents of

The latest survey of industrial property sector is due within a few days from King and Co, which expects its latest statistics to confirm the improved trend.

As in other parts of the country, it is new property which is commanding the higher prices and finding takers. The higher prices are easily higher prices are easily explained: most of the new property is replacing older buildings and must be built on land which has increased in value. And, of course, interest rates have been pushing prices higher since early December.

The West Midlands, perhaps more than the South of Eng-land, able to find takers for influence of BL, whose steadier

it tend to be close to the motor-

ways, where there is ready access by road to most parts of the country. Prime sites, such as the best spots at Spaghetti Junction, the Birmingham Junction, motorway interchange, are now fetching £1.75 to £1.85 per square foot quite readily, with £2 a square foot paid for the newest sites.

A combination of this demand

for industrial and warehousing buildings has worked wonders for the area, which suffered so badly in the post-1973 collapse. Developments of the past three years have fared particularly well and only a few of the smaller developments from the worst days are still left untouched.

Particularly encouraging is the view expressed by King and Co that there is 12 months' supply of new development now factory space, as distinct from in the pipeline. This would warehousing. This reflects the normally be a comfortable backlog for a thriving industrial

industrialists

This tendency is resisted

Midlands. Indeed, the deter-

favoured parts of the country.

Local authorities in Leicester

factories.

Many

property

the region.

But warehousing space is also strike, which hit industry expansion, but they see rents significant. The best sites for harder than the City and the still rising as supply also thins it tend to be less to the city and the still rising as supply also thins it tend to be less to the city and the still rising as supply also thins

The transport strike also pinpointed another significant factor on the industrial property market Industrial development in the Midlands has become increasingly centred around the new or planned motorways. As

In fact there seems a strong possibility that some relatively depressed property areas, such as Bromsgrove, could be in for an injection of industrial vitaplans are completed.

In addition to its heavy industry complexes, the region has always been dominated by factory. In Coventry, agents say they are "very active," mostly owned

good feature and a major site owned previously by the Ministry of Defence appears to be finding takers without too much trouble. not to want to hold in their own In Birmingham, the city agents express the

dilemma faced by the region. It has an excellent infrastruc-ture of small to medium-sized industry-shoes, drugs and so on. All these would support a much larger industrial property complex than they do at present -if only they could all expand just a little. As it is, the region and attract new employers. tends to be overshadowed by the heavy motor and engineer-

ing factories on the other side businessmen are now finding valiantly by both industry and that small, concentrated groups local government in the East of workers are not usually willmination of the city councils outstrips that of others in more is laid on. It is these small husinesses which are now fighting hard to take up premises in and Nottingham are typical of the region in their efforts to promote industrial use of irable in the 1960s.

property sites, as well as rejuvenation of the housing base, been the return by small busi-Recovery in the East Mid. ness to the multi-storey buildings lands seems sound and wellbased. But, as with so much of now rejected by heavy industry the industrial centre of England, all depends on a continua-tion of the general recovery in the year, such as the manufacture of seat industry. By later in the year, it should be possible to estab-

lish the depth of recovery in industrial property.

Terry Byland

South West, brought hints that the list of new developments might pose a threat to confidence rather than boost it.

already noted the best sites are close to the motorways.

lity when the latest motorway

its major cities, which by and large have incorporated all the picture here seems to be satiswith new development. Two new industrial estates, close to motorway junctions, are usually needs factory space believed to be fully pre-let. The Binley Industrial Estate is a This has proved a successful

centre — at one time, one of the blacker spots — is now considerably brighter. The city council has taken to heart the threat to the old industrial inner city and, with the support of Government policies on urban revitalisation, hopes to maintain the expansion trend Developers are showing con-

siderable confidence in prospects for Birmingham's inner city; it has been noted that many small ing to move out of the home area, not even when a works bus the inner city found so undes-

An interesting feature has been the return by small busibecause of the problems and covers for BL cars, has found suitable for the work but also readily available for occupation. Agents say that demand for

fortunes are an inspiration to area. But such is the nervous-many feeder companies engaged ness still abroad in the Mid-in manufacturing components. lands that the lorry drivers rather than sowing further industrial fortune has not been missed by the major institutional investors, who have long been looking at their cash balances with dismay.

With the stock market a less exciting place, both for govern-ment bonds and equity stocks, the arguments for returning to good-class property investment have strengthened, and the attractions of the west Midlands have been noticed. Yields are now proving sufficiently reward. ing to tempt these big investors. Always notable among them has been the Scottish Equitable Life Assurance group, which has joined with local authorities in the area to provide finance for developments offering industrial sites to local industry.

Institutional investors have provided much of the underpinning for the new develop-ment now in hand. Until relatively recently, the institularge have incorporated an inproblems of inner decay and industrial blight common to the dustrial blight common to the an area clearly on the recovery road than to involve themselves buildings, which had tions were more willing to take in office buildings, which had proved such a snare in the past. They judged, probably correctly, that it would take longer to find takers for them since business

investment policy so far. Office blocks have remained etched in the mind of industry as the disaster area of the early 1970s, to be left alone until industrial production has established its recovery.

Most sources in the crea agree that there is a danger of over-confidence. The general uncertainties about the national economy over the coming year should be enough to damp down any speculative enthusiasm. The West Midlands has shown before that its high level of dependence on the motor industry makes it very difficult for the region to avoid being the first to reflect any sign of flagging in the national spirit.

Some agents suggest that it is warehouse construction which now leads the field in the west Midlands, and that new construction of factory buildings has been levelling off as needs are met. If this proves so, and there are no very recent figures to support the view, then any check in industrial expansion could push the industrial property market back into gloom again,

The response in the property market and in industry generally to the transport strike indicates that confidence in the West Midlands is still fragile and that new construction could be blocked quickly if the outsuch building not only highly look suddenly appears less

Terry Byland

East Midlands More factories

shared in the general improvement seen in the Midlands, although indications are that its recovery has lagged behind the Birmingham and Coventry areas which have been helped by the upturn in the motor industry. Over the past six months, the

region has recorded the same trends seen elsewhere: an increase in buildings under construction and a decrease in some types of industrial property available for letting. But the changes in the various totals have been more marginal. Six months ago, the region still a substantial number of factories vacant and the upturn in new building was very small. The latest statistics are still being prepared but they appear to suggest that more factories are now being built, but fewer

This could be a favourable for the East Midlands generally has found it harder to attract the solid factory development which is the bedrock of any industrial area.

Nottingham would have a good case for considering itself of industrial property develop-

The city is fortunate in having a strong and widely-diversified industrial base, with Boots and John Player among the household names. The council has set up, through its Industrial and Commercial Development Unit, a property register which pro-vides comprehensive information on all commercial property available in the city. Additionally, the council actively pro-motes properties and tries in many ways to attract industry

to the city.

This kind of high-powered local authority backing for industrial property business—or indeed for any other kind of property business—is not as likely to reappear. Office common as it might be, and it accommodation has thrived but has played its part in keeping it has proved too early so far Nottingham in the vanguard of the city to create a new inthe East Midlands property dustrial heritage to replace the

Leicester also has established industrial property developer. Rents are appreciably below the levels charged elsewhere, which is only to be expected in a town whose cost of living is among the lowest in the country.

The city has the advantage of a local tradition of small

inner city properties on the move. And like so many other cities it has turned its back for the time being on its empty office blocks—which are by no means as numerous as once they

With its excellent communications, Leicester has proved a big attraction for industrialists seeking warehousing space. It claims to be as near to the cen-tre of England as makes no difference, is at the centre of the motorway network, and has excellent airport links with Europe. These factors provide a powerful attraction for industrialists and have buttressed demand for modern warehouse

Stimulate

However, the city council has responded to the view that warehouse operations alone are a poor recipe for full employment and acted to stimulate factory production.

On the north side of the city, the council has opened development of both the Beaumont Leys the commercial strongpoint of site and the Gorse Hill Industhe East Midlands, and it is not surprising that the city council has put itself in the forefront the first becoming available in the middle of this year and the rest in 1980.

Private developers are at work on a 100-acre site in the centre of the town. It is generally acknowledged, however, that Leicester could benefit from more land for factory development—a claim that cannot be made by many towns in the East Midlands. Derby faces special problems. After a rich and proud history

as a heavy industry city. Derby is now seeking to diversify into a more general business centre. This has left the industrial property developer with a difficult problem. Most of the property is old and was built for industrial purposes now un-likely to reappear. Office accommodation has thrived but dustrial heritage to replace the

Outside these important itself as one of the more active towns and cities recovery is and attractive centres for the patchy, with molorway access patchy, with motorway access often providing the main stimulus. One agent went so far as to say that access and availability were more important than price when it cares to find-ing customers. Properties in the

> properties, but here a ain this has been confined mostly to the towns. Coventry, for example, has seen much refurbishment.

The region suffers from the general lack of demand for the servicing industries now so significant in other industrial areas. These ancillary industries have often provided the cushion which maintains business activity even when heavy in-dustry meets a slack period. business The constant need to store

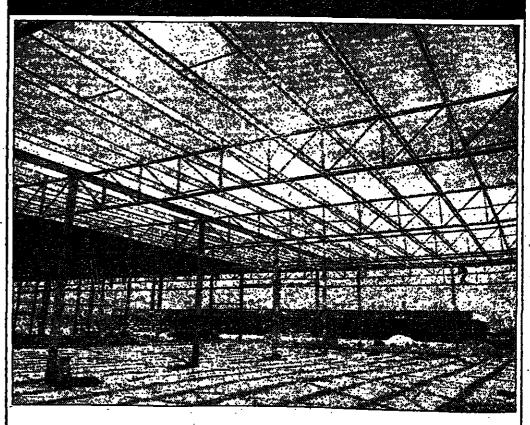
foodstuffs, household goods and leisure aids for the factory workers has kept a host of warehousing activities in motion in the West Midlands. But the east of the region, with industry generally smaller and restricted to fewer towns, lacks the population concentration to maintain strong service depots. The motorway network in many ways so valuable to the

East Midlands as a source of trade, tends to act against its hest interests in this respect

Warehousing space is readily available closer to the Birmingham/Wolverbamnton area, and it is easier to service the East Midlands by road from there.

This, of course reduces demand for watchours enamed in the East Midlands and so the wheel continues to them The disadvantages of such a situation were brought home drastically with the lorry drivers' national strike. This hit particularly hard in the East Midlands, which depends heavily on road

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Industrial/Warehouse

South West

Conflict with the planners

development over the years but opportunities supplied by the on the indsutrial side it has gradual improvement in the ance is beginning to be

Because of the residential nature of the area it has attracted employers of office staff because labour can be attracted at lower rates than in the capital and there is more chance, so the argument runs, of retaining key personnel if de-centralisation is aimed southwards rather than northwards.

The industrialist, on the other hand, has had little incentive to head to the South West. There are few areas of the region that can boast sufficient numbers of skilled industrial workers available for employment and the communications

THE SOUTH WEST has network is still desperately thin attracted its fair share of office in some parts. The increasing traditionally been a poor rela- motorway system has belped tion-though there are some speed up industrial developindications now that the imbal- ment in some areas, however.

> One of the problems of the South West is the conflict of ideals of the various parties involved in new development. The desire of the local planners is to attract industry to help reduce the region's high unemployment levels. They need to draw in small businesses, but private developers — who are keen to build sites which will attract institutional finance — are often reluctant to get involved in very small units.

> Besides that, much of the demand for property is for warehousing rather than manufacturing. Developers are therefore pushing to build ware-

facturing units which would ease the local unemployment problem. Again there is a con-flict between planners and

Finally, there are the conservationists and those whose interests are geared towards the tourist industry. There can be a strong lobby on local councils against industrial develop-

Yet despite all these obstacles the industrial property market in the South West has picked up. The latest King and Company survey shows that demand has increased sufficiently to drop the amount of vacant warehouse space by 16 per cent to 1,338,000 sq ft, while factory space has fallen by a similar amount to 1,256,000 sq ft. Building under construction, on

housing along the motorway the other hand, has gone up links rather than the manu- from 258,000 sq ft to 392,000

Bristol, which is the most important feature of the South West from an industrial angle, has seen an impressive rise in rents over the past year, according to a recent article in the Estate Times by a member of Hartnell Taylor Cook. Rents which were pitched around £1.30 per square foot at the beginning of 1978 have climbed to around £1.75 and with a shortage of development land available market men are talking of £2 per square foot before not too long.

Avonmouth, meantime, has also seen an impressive increase in rental levels. New buildings could be found for £1 per square foot 12 months back, but now rents are up to £1.50 for smaller Exeter, with its motorway average and in some places such links, is also popular. There as St. Ives it is frighteningly are two large estates which high. All the county is an have proved fashionable - assisted area but despite this the Sowton and Marsh Barton, region really is too far down Lalonde Brothers Parham in the road to attract industrialists Exeter say that they have let to any great extent.

38.000 sq ft in Sowton in the The Plymouth region in con-38,000 sq ft in Sowton in the past six months with the smaller trast is popular with industrial-3,000 to 4,000 sq ft units attractions. Grants are available and

beginning of 1978.
Lalonde Brothers also recognise the local conflict of ware-

Pharmaceuticals.

Lobby

considerable

number

ing strong demand. According rents for new buildings are in to the local agent, rents for the region of £1.35 to £1.40 per small units are around the £1.75 sq ft. per square foot mark against Overall the confidence felt at £1.50 a year ago while larger the beginning of 1978 has sites — 20,000 sq ft — will be proved well-founded in the let at £1.50 against £1.10 at the South West and with the con-

works a steady improvement in demand for industrial and warehousing versus manufacturing thousing space looks likely to capacity but claim that they are gradually winning planners over to the fact that a distribution centre can sometimes

Terry Garrett

Terry Garrett



New Towns

Unrivalled expertise

THE NEW TOWNS concept is expanding towns, at a time which had already master only be a drop in the bucket. now politically dead. Over two when central government, in minded the remarkable success Meanwhile how is all to years ago the government first any case, was switching its intimated that it was turning attack from dispersal to reits face against further expan-generation of the inner cities. sion of new towns; now it is tude is permanent.

cept of expanded towns was decentralised areas.

formally abandoned by Mr. Most of the new towns have Peter Shore, Secretary of State had their population targets for the Environment. The gov-reduced (though to be fair this ernment's argument is that over has been in part because of the decades the new and expanding towns have not played growth. The South-East's population a significant role in the emigration, for instance, is expected to tion of people from the old

The facts show, according to go direct to the new towns or the expanded towns. Many future.

people, it seems, went to areas The two cases reveal some of where there was no planned distinctions the central paradoxes involved.

authorities in the old cities have been administered by one reluctant to provide the money of the most successful developfor housing in the designated ment teams in the country

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In combination these factors clear that the government's atti- have been sufficient to bury only recently the related conept of expanded towns was decentralised areas.

> remain static at about 17m for the next two decades).

One-Stonehouse, planned as the fifth Scottish new townstudies, that although jobs and the fifth Scottish new town-people did leave London and has been scrapped althogether. the other cities, most did not A second—Central Lancashire New Town—has a doubtful

persal programme and the jobs in the new town concept. Stonehouse, on paper, looked most This evidence made the local likely to succeed. It was to

of East Kilbride.

The key factor in Stonehouse's demise was the growing feeling that funds should flow directly into Glasgow itself where even the success of East Kilbride had not eased the problems of the decaying east end.

Central Lancashire New Town faces almost the opposite prob-lem. The setbacks and difficulties encountered by the existing new towns which encircle Liverpool have created a considerable degree of disillusionment in the North West over new towns. And in addition, of course, the idea has taken root that money outside the cities.

Vacuum

The effect of all these changes has been to create a sort of vacuum in which no further new towns can be established and in which the existing ones continue to follow slightly curtailed development programmes out much encouragement with growing discouragement from the local authorities they

originally existed to help. On the other hand no major lternative regional policy has been introduced in place of the new towns concept. The notion of inner city rejuvenation is widely supported but the machinery to carry it out has not been forged and the funds allocated to it so far are risible. Ironically, the only beneficiaries of this planning volte

face may not be cities at all. The Department of the Environment is at present considering development partnership scheme similar to the inner city partnerships.
These apparently would offer

special incentives to small indus-tries wishing to set up in rural at a rate matched only by the areas where they are regarded as fitting in with the scale of the area. Recause the overall programme would have to be small in scale it has a fair chance of success, where the partnership schemes in the inner cities can

Meanwhile, how is all this affecting the day-to-day workings of the existing new towns? For the past two years attention has been focused almost exclusively on the political about-turn which has left the new towns out of the mainstream of Gloucester, displays a different people with the feeling that the new town movement has ground to a halt.

In fact nothing could be further from the truth. During the past year, all but a handful of the new towns—those with

extra-ordinary problems of location or population—have made should be spent within Liver-major strides in attracting new pool and Manchester and not industry.

Company directors plan their expansion and relocation programmes with both eyes firmly on profit. And that depends on the availability of staff, accessi-bility to markets and supplies, clean lines of communication and supporting facilities.

By now many of the New are available, but rent levels Towns have grown up to the still reflect the lack of significant point where they can offer most interest by industrialists. degree. At that point the two special advantages of the new towns do begin to weigh with industrialists on the move. The special powers of the new towns terms of incentives for industrialists match those of the special development areas. They include rent-free periods, direct grants for buildings and plant help with redundancy payments and staff relocation costs, and cheap or interest-free loans.

corporations have acquired a level of expertise in relocation and industrial building unmatched by any other group. Industrialists find this a big attraction so long as their basic needs of convenient location and communication links also exist. As a result the new towns at a rate matched only by the development sites and times its building programmes solely on the grounds of foreseeable -de-

Christine Moir



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Ford factory a big coup

cannot compete with the geo-graphical appeal of an area like showed some signs of picking up, the Principality did not miss out on opportunities to attract the expansion-minded manufacturer.

course the decision by Ford to in North Wales. This is also an build a £180m car engine manuarea which has experienced facturing plant near Bridgend, serious job losses in the steel The new premises will occupy a 175-acre site and are expected to provide about 2.500 new inhawhen they open in 1980. At the same time there is bound to be further local spin-off in terms of supply and service industries.

The Ford scheme is significant not only because of its size but because of its location. The new plant will be sited in the heartland of South Wales, which is currently suffering frpm a severe structural crisis. Traditional industries like coal and steel are breaking up, leaving an abundance of surplus labour which is not easily absorbed by the smaller more which often replace the older. Within the past year or so

It is this surplus labour which the Welsh Development Agency (WDA), by far the most important developer and the biggest industrial landlord in Wales, is currently attempting to exploit. It was the WDA, which provided the land for the Ford

At the same time, in direct response to the social implications of massive redundancies, the WDA has also embarked on a special crash programme of improved on its track record for factory huilding in Cardiff and 1977. Its factories cater for Ebbw Vale. In Ebbw Vale the units of 1,500 sq ft up to Agency is building 48 advance premises of 50,000 sq ft. In factories and developing a major industrial estate at should be completed in April or year (360,000 sq ft). These May and although there have figures exclude non-speculative not yet been any firm allocations developments, i.e., those built there are apparently one or two to a particular specification. 'very interested' enquirers.

part of an emergency package the South-East. But during a designed to meet the threat of year when industrial investment closures in traditional Welsh industries. In addition, as part of the WDA's general factory building programme, 17 sonic, which already has a fac-factories are being constructed lory at Cardiff, has taken over on a major new estate near the The big coup of 1978 was of Shotton steelworks on Deeside

> and textile industries. The WDA is one of several agencies attempting to promote industrial investment in Wales. It is, however, easily the most important. encompassing both the roles played in England by the National Enterprise Board (providing equity capital and loans) and the English Industrial Estates Corporation.

Function

The Development Board for Rural Wales is a sister organisation which operates on a much smaller scale in the depopulated heartland of the country; the Development Corporation for Wales is primarily a marketing organisation; the British Steel has announced the Welsh Office hands out grants closure of plants at East Moors, and other incentives (most Cardiff and Blaenau. Gwent, of Wales has development while 2,000 steelworkers were area status); and the Land made redundant at Ebbw Vale. Authority for Wales also has It is this surplus labour land available for development, essentially carrying out the function of implementing the Community Land Act performed in England by local

from its own resources and by has attracted Parliamentary buying from private owners criticism but MPs' claims that This proliferation of agencies the businessman is confused as a result are strongly refuted in Wales itself.

> Last year the WDA, which was founded in 1976, certainly 1978 the Agency let more than three times as much space (over not be further from the truth."
>
> 1m sq ft) as it did the previous Mr. Ryland also maintains The first factories Im sq ft) as it did the previous

The WDA also reports a big Progress in Cardiff has been increase in enquiries for 1978 slower, mainly because the which has led to the allocation

moved to Wrexham. A Swedish wire basket manufacturer and Girling Midland Ross, part of Lucas, have taken sites at Tafarnaubach, while National Pana-sonic, which already has a fac-

an adjoining 50,000 sq ft for hi-fi equipment and music centres. Apart from the hopeful if flickering signs of revival in the manufacturing sector, the WDA believes its vigorous promotion policy has contributed to the increased interest. In November, for example, it ran its first TV advertising campaign on HTV; this resulted in a substantial flood of enquiries. Major developments like those

just mentioned and particularly

the Ford success has probably

focused more attention on the

region. Communication links are always an important factor which any industrialist has to take into account. It is no coincidence that the better developed areas of south east Wales are most easily accessible by road and rail from London. In south Wales the emphasis has been on the siting of new projects on the northern strip of the coastal plain following the line of the M4. The opening of this motorway westwards from Cardiff and the prospect of further extensions in future and meanwhile will benefit from the dual carriageways which are to be built to connect Chester with

On the developments of the past year or so Mr. Colin Ryland, of chartered surveyors Cooke and Arkwright, has these observations: "It is now beginning of take-up."

to be understood on the other

The optim side of Offa's Dyke that the natives are friendly, that the Home Counties are only two hours away by motorway or high speed train and that the popular image of south Wales as a land of coaltips and pitwheels could that the attractions of the area are reflected in high house prices-higher, in fact, than anywhere else in Britain except certain parts of London.

Bangor and Chirk.

While the Welsh Development Agency dominates new implement investment deci- modation with the minimum of WDA first had to find the land, during the year of some 70 factory development in Wales sions. As a result there is a adaptation, has been hit by the to invest directly in Scottish. During a mini-boom of build-Work on 19 of the 20 additional units, against 30 in 1977. New —its chief criterion is social, backlog of plans awaiting im-rating revaluation. "Some of companies—a role which has led ing around 18 months ago, it

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in this City Centre estate which

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4,500sq.ft. and 5,200sq.ft.

and M9 motorways, just west of

Edinburgh, To Let.

Glasgow

Glasgow.

Private factory development. on the other hand, is largely snuffed out by the high level of WDA activity. There are still a few companies eager to buy their own premises outright but virtually all privately rented factories were built well before the WDA was thought of. In some cases rents can be very low. Warehousing provides the main opportunities for the private end of the market and throughout the past 12 months little slack in the market.

on strict commercial lines—the is still the prime area, but private sector largely is left to example to the Ford exploit the warehousing market. enced a big revival. Over the year warehouse rents, according to one agent, have risen about 50 per cent and the best modern units up to 10,000 square feet are making £1.30p to £1.35p a

> moment outstripping supply. Rents in Cardiff are nearer the £1.40p mark and with the legacy of a tight local govern-ment boundary prior to reorganisation there is precious

sq ft. with demand at the

Rents on the Village Farm Estate, dismissed in previous years as a hopeless development, have risen dramatically during 1978. One 20,000 sq ft unit let earlier this year commanded £1.15p sq ft and even this is

Newport, meanwhile, to cope with demand. Although brushed awa only 10 minutes by road from is expected.

now thought to be an under-

valuation.

WALES may lack the financial advanced factories is now tenants include E. Gomme, part incentives of a region like under-way while a start on the Northern Ireland and clearly cannot compete with the georgrammes are Transmissions, and there rent levels have generally Cooke and Arkwright cites Cardiff and physically nearer to the example of Pyle, a small the centres of economic activity cerned, the projections for 1979:

So far as the WDA is constitution for it does not need to operate moved steadily ahead. Cardiff the example of Pyle, a small the centres of economic activity cerned, the projections for 1979:

On strict commercial lines—the is still the prime area, but the above programmes are the above programmes Cooke and Arkwright cites Cardiff and physically nearer to

Swansea provides another contrast, with the WDA active the warehousing market. Observers comment that the town's political history has also discouraged private speculative development.

What of the future? While is present activity is admittedly forgotten comparatively short of good unexciting rental levels show development depends just are warehousing accommodation, no sign of tailing off and once though supply seems adequate the winter cobwebs have been origins are as yet still humbled brushed away renewed demand

So far as the WDA is consq ft) which the Agency hopes to complete, all but 49 will be units of 5.000 sq ft, 3,000 sq ft or 1,500 sq ft. This is in direct response to an identifiable demand from up-and-coming small businesses which need room to expand. Whereas the big names will always attract publicity, it should not be forgotten that industrial Tim Dickson

excess supply seems to have been absorbed and a degree of

The new towns, backed as

they are by State funds and armed with grants, loan pack-ages and the ability to offer a

rent-free periods, provide stiff

competition to the existing in-dustrial centres. Livingston

New Town was late last year-

granted an additional 176 acres :

within its designated area to provide for further industrial

Irvine has also been attract-

ing industry and has a bevy of

multinational covenants includ-

ing such names as Beechams,

Volvo, ICI, Monsanto, Rockware Glass and Hyster, the U.S. fork-

lift manufacturer, on sites in or

in the longer term does depend

to a very large extent on the

general health of the UK eco-nomy. The Kenneth Ryden re-

port suggests that a worsening

in the nation's current account

But the outlook for Scotland.

to the market.

expansion.

around the town.

Scotland

Lending rate increase bites

DEMAND FOR warehouse and industrial property in Scotland has been reasonably good in the six months to December 31 last, according to an industrial property review commissioned by Kenneth Ryden and Part-ners, chartered surveyors based in Scotland.

"However, we have experienced a marked cutback in the supply of missing links, is enquiries subsequent to the re-also significant. North Wales, cent harsh increase in Bank cent harsh increase in Bank lending rate, exactly the sort of effect it was intended to have." the report says. "We the report says. hope this is a temporary situation and the economic forecast for the next six months would appear to indicate that we might anticipate a healthy rate

The optimistic economic forecast is based on the expectation that investment expenditure will continue to rise through the early part of 1979.

This appears at first to fly in the face of the underlying pessimism in the forecast, which suggests a slowdown in the rate of growth of consumption expenditure plus a squeeze on corporate profitability as a result of higher interest rates. But, argues the report, it

takes time to make and then

for the demand for warehouse and industrial property in Scotin warehouse and distribution cent of market value," the report is seen by most independent equilibrium has been restored depots. There has been comparatively little demand for

new manufacturing space.
The supply of stock from private developers has fallen over the period but the total overall stock position has not been greatly affected because of increased activity by the Scottish Development Agency.

Rentals have not changed dramatically in the past six ment Agency (SDA) has a bud-months but there has been get of massive proportions. growth in some areas. The re port says that in Glasgow in mid-1978 average rents for modern warehouses were at £1.35 per square feet, and would have risen to around £1.45 per square foot by the end of December.

Industrial investment yields have been relatively stable and good let industrial/warehouse investments in the central area have steadied at around 71 per cent to 8 per cent.

traditionally always reflected was around £90m. This figure is good value provided the pur-expected to increase further to chaser could utilise the accom- £100m in 1979.

the most glaring incongruities of to considerable controversy. But looked for a time like the reces-The report said the reason current revaluation procedures the bulk of its investment goes sion of 1974-76 might repeat on the demand for warehouse exist in the assessment of older industrial property in Scot-multi-storey property where, in now owns around 601 factories rents and values down. But the land was the result of interest many cases, the gross annual in over 175 locations, shown by national companies value represents over 50 per With its massive but

> siderable impact being made by Government agencies as sup-pliers of sites and premises. The English Industrial Estates Corporation is by far the nation's largest industrial developer. In Scotland the Scottish Develop-

Warning

At the beginning of September, Sir William Gray, the SDA's chairman, warned that before its first five-year period of operations ended it would have to scale down its activities unless further funds were made available. In the first 15 months of its life SDA spent around £25m. In the next 12 months The market for second-hand this jumped to £51m and the industrial property, which has estimate for the whole of 1978

Part of the SDA's function is aburgh. Stirling and Aberdeen.

With its massive budget SDA observers to have a potentially Any discussions of industrial large impact on the Scottish property markets in the UK industrial property scene. Not must inevitably look at the conso, says the Kenneth Ryden report. "The scope of the financial powers of the agency indicates that its role must be a modest one.

"In terms of industrial investment the contribution of the agency may be significant but must fall a long way short of transforming the volume of investment." The report's conclusion is based on the premise that, over a five-year period the Agency's expenditure on industrial function might amount to

£120m, or roughly £24m a year. Although the report does not mention it, the SDA does play an important part in complementing the activities of privatedevelopers in the sense that it usually chooses sites which the private developer would not regard as prime. After the market property. gollapse private developers tended to concentrate on the main industrial areas of Glasgow, Edin-

position, made inevitable by the Government's current economic policies, is being masked by North Sea Oil revenue.

Terry Ogg

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tenant's requirements. To Let. Hunslet Trading Estate, Leeds 9,000-30,000sq.ft. new warehouse units. Immediate occupation. 1 mile

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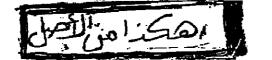
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Richard Ellis



The EEC's Trade with SPAINE

←IMPORTS

1972 1973 1974 1975 1976 1977 1978

EXPORTS to SPAIN→

EEC MEMBERSHIP

Spain comes in from the rain

YESTERDAY'S ceremony in quickly as possible. One of the Community is regarded industrial and consumer goods because Spanish industry now declined sharply and will do so Brussels marking the opening suspects there has also been an as a "good thing," yet without exports have continued to grow, faces major structural problems facts major structural problems faces major structural pr European Community and Spain on the latter's application for entry was little more than a formality. The real negotiating will not begin for a while yet. Nevertheless the Spanish Government regards the event as of great symbolic significance: It is the first concrete step towards closer integration with Europe after the isolation of the Franco era, and as such represents the reassertion of what Spaniards see as their natural European identity.

impatiently in the rain on a doorstep. Now the door has Although attacking the Governbeen opened, we have been admitted to the waiting-room and we can be more patient," says Sr. Leopoldo Calvo-Sotelo, Spain's Minister for European Affairs, who a year ago was given the task of setting up this Ministry and initiating negotiations. He admits that he has been in a hurry to reach the formal negotiating stage. He pressed for early completion of the Commission's opinion on the the Commission's opinion on the changed their basic acceptance sion of the negotiations by 1980 application, and the Commission of the need for membership. was quicker than expected in Although Spain's population ment by 1982-83.

delivering the opinion last is 36m and the country is The Ministry's report leaves November; he then pressed for ranked 10th in the league of the impression that serious an early start to negotiations, which again he seems to have

Mainstream

political nature of Spain's application for membership. The application, in July 1977, came barely six weeks after the first democratic elections in Spain for over 40 years. It was designed to ensure that Spain attached itself firmly to the mainstream of European democratic political life. Since then the Government has attached psychological importance to Spaniards being given formal

and Portugal.

The European card has been played by the Government to Ministry for European Affairs, major Opposition parties, the deal of cynicism was reactions have acquired more Government's own view of the nuances. But nothing has negotiating timetable—conclu-

industrial nations, the Spanish reservations exist in the minds negotiators admit that they are coming to the table in a position of weakness. Spain's fuelled, moreover, by the slow economy has been heavily pro-tected and is unused to the kind studies on the effects of entry. of free-trading conditions to The absence of any public which EEC countries have be-come accustomed. They are opinion on specific topics is pro-nevertheless proceeding on the bably misleading. The one assumption that it is in the in-terests of the Community to so far has been the fishing absorb a Spain that is not lobby, which has protested seriously weakened by the con-sequences of its entry. The main imponderable from the Spanish angle is the extent to

time, and catching up with the majority regard membership as earlier applications by Greece having been decided in advance for them by the Government.

A survey compiled by the help its political respectability based on a country-wide series as well. Monday's ceremony in of meetings held from October Brussels preceded by two days through to December with all the opening of the campaign for major economic and political the March I general elections. groupings, provides an insight Sr. Calvo-Sotelo says this was into the opinions of those most coincidence," but it was certainly a happy one. The of commerce, agriculturalists, Socialists claim that the Govern- industrialists and trades unions ment pressed for an early for- showed themselves more prematural European identity.

"With Brussels we have been rather like a man standing since serious discussions will sequences of joining the EEC. start until October. (In this respect several have pointed out the added weakness ment for political opportunism, in Spain's negotiating position it is significant that neither the socialists nor the two other problematic shape.) A good Communists and the Right-wing countered, with people believ-Alianza Popular, have opposed ing that the Government would the idea of Spain joining the trade the political gain of Common Market. As the consequences of membership have in the economic sphere. There become better understood, their was also scepticism over the

strongly to the Government over restrictions of Community

fishing licences. Agriculture poses the greatest which public opinion can — and problem in the negotiating pro-will — become mobilised on cess. Spain's foodstuff exports particular issues. At present to the Community have declined public opinion is remarkable slightly in volume terms since

for just over 25 per cent of total sales to the Community, com-pared with 45 per cent in 1971. But on enlargement Spain's huge and dynamic citrus production, its sizeable olive oil and wine surplus capacity, and its modern tomato and tomato paste industry will come full square against the vested interests and complexities of the Common Agricultural Policy. Forced to operate against fierce competition from non-Community Mediterranean producers like Israel and the Magreb countries. Spanish farmers would like to see the Community as a privileged domestic market which could absorb substantially more than the current 65 per cent of Spanish agricultural

French farmers

But the farmers know they do not have a powerful lobby like their compatriots in France. They sense that Spain's in-dustrial interests will prevail over agricultural ones at the negotiating table. Beyond this they feel that the Government cannot effectively fight the sustained opposition of the southern French wine producers or win satisfactory concessions on citrus exports against the opposition of southern Italian farmers. Meanwhile, the struc-turally weak milk and beef producers in Galicia fear that they will suffer badly from existing Community price policies.

The Government has neither offered nor been asked for an opinion on the CAP. However, officials make no secret of their Community Mediterranean probefore accession (at least by the medium- and long-term finance. evidence of such a link as for its indifference: membership the beginning of the '70s, while Spaniards'). On the other hand, Meanwhile, productivity has

munity industrial policy is likely ally poor quality of manageto be an early theme. Those in the steel and shipbuilding sectors believe that Spain, as a candidate country, will now be treated more favourably. Sr. Calvo-Sotelo says he would like to see Brussels accept the principle that the restructuring of

But the two sides, it would seem, have a long way to go before reaching understanding. The Community appears to view heavily Government-supported, still relatively low-cost, and capable of ruthless dumping practices. Not all of this is wholly fair. For instance, the Community recently complained about the 1939 "buy Spanish Act" which can oblige public concerns and private companies

Community plan.

only to those industries operat-ing in 1939 (which was not that many). However, the Government does offer tax reputes to exporters of up to 25 per cent and more. This is now the single most thorny issue with the Com-

officials.

to buy Spanish goods. Spanish

sources say this Act was last used in 1975 and can apply

It is debatable how much support the Government can remove without prejudice to industry. Spanish industrial overheads in the past three years have risen at three times the rate of Spain's European competitors. The financial structure of the majority of Spanish desire to see Community agri-cultural policy reflect more been further sapped by the favourably the interests of the effects of poor planning that failed to take account of the ducers. The sensitivity of this economic slow-down. The finan-issue means that it is unlikely cial system itself is weak and to be raised in negotiations there is no easy access to

especially in the steel, ship-labour laws, the infant state of building and textile sectors—relations between trades unions better co-ordination of Com- and management and the generment. In other words Spanish industry—at least that part in Spanish hands - is likely to become weaker and less competitive in the short term.

regional policy and how this will affect both existing plans Spanish shipbuilding and steel for autonomy and the present be treated as part of an overall concentration of economic activity. Substantial Community aid to poor regions could be one of the sweeteners offered

by the Community in negotiations. But economists argue Spanish industry as aggressive, that the logic of EEC membership will be to increase the industrialisation of those areas already most devoloped and which are closest to Northern Europe-the Basque country and Catalonia. In this respect the regions of Andalucia, Extremaduro, Galicia and the Canary Islands are extremely concerned because of the potential wider income gap between themselves and the rest of Spain. The Canaries present a problem of their own. Since they are a Customs-free zone, they will have to opt whether to retain this status or come within a Community regime, Canaries industrialists dislike the dismantling of tariff bariers as they say this would prevent moves to industrialise the islands. The munity, according to Spanish

> nitely want to be inside the Community. The complexity of these must now take the negotiating process slowly, according to Sr. Calvo-Sotelo. Nevertheless he says he is considering some "anticipatory actions" during the negotiating period. For instance, he expects changes to

merchants fear Community

taxes on goods imported from the U.S. and Japan; on the

other hand farmers selling

tomatoes and foodstuffs defi-

Much interest focuses on

5

the telephone company Telefonica, the national petroleum distribution company Campsa. and the tobacco company Tabacalera. Changes are also being contemplated to liberalise automotive imports.

Spain is also looking at ways whereby it can begin to be part the Community decisionmaking process - or rather so that Spain can be more closely consulted on decisions taken by the Community that affect it. One contentious issue is the position of the 500,000 Spanish workers inside the Community. Spain would also like to be involved in discussions on the proposed European Monetary System. Membership is ruled out at present but in principle the Bank of Spain believes that membership would act as a various issues means that Spain beneficial form of external discipline.

Significantly, neither question been raised of Spain losing sovereignty by joining important. be made in legislation concern-

ing monopolies, of which there The political parties have imare currently three in Spain- plicitly accepted a certain derogation of sovereignty to Brussels. But the practical effects of such derogation are largely unrealised in Spain. For instance, it is questionable how long Spain would be able to maintain its policy of refusing to restore diplomatic relations with Israel once it became a member of the Community. In admitting Spain, Brussels would be bringing into its fold a nation every bit as nationalistic and chauvinistic as the British French — and threatened just as capable of being obstructive, especially where national sovereignty is

This is a caveat which the Spanish themselves have probably not yet fully come to terms with. Another is that, as democracy is taken more and more for granted both inside Spain and by the rest of Europe, the in original motivation for memberpublic nor in private has the ship - the strengthening of democracy — will appear less the Common Market. There has aspects of Spain's relationship been an unchallenged accep- with the community will become tance of the European ideal.more central.

concerned.

Letters to the Editor

Examining the closed shop

From the Executive Director, Institute of Directors

Sir,-It is excellent news (February 2, Page 1) that the TUC is to examine trade union organisation, and in particular that most unacceptable part of it, the closed shop. The last few weeks of industrial turmoil will provide it with plenty of sary spur for its elimination.

restrictive practices, not only because of its clear implications for the freedom of the indivi-dual, but also because of the actual harm it does to the interests of those whom its pro-tagonists think it will protect.

The closed shop is harmful for three quite specific reasons: it restricts the freedom of the individual to associate or not to associate - and thus to work at his chosen calling: it hampers the capacity of enterprises to go about their legitimate business of serving their customers, and thus providing their employees with a livelihood; and it undermines the effectiveness of the trade union movement itself.

The first point needs little elaboration: a man's right to work is, or ought to be, inalienable. All he has to sell is his own ability. The second point is equally clear: you do not have to look far to see examples of where the closed shop has provided trade unions with power to prevent or make it virtually impossible for firms to honour their commitments to their customers. The communications industry provides its own examples. As for the unions themselves, they too have their customers - their

Once unions need make no effort to encourage people to join, but can simply dragoon them into their ranks, once potential members are no longer free to choose whether to avail themselves of their services, the unions will cease to have the real interests of their members at heart. Monopoly is no more benign in the hands of trade unions than within the market for goods and services. Just like any other customers faced with a service which does not come up to scratch, union members must be able to demonstrate their dissatisfaction, and vote with their From Mr. D. How

If the TUC were now to initiate reform of the closed shop, it would find that it had acted at a time when support for such a move was at its height, not only amongst the general public but also in the rank and file of union membership itself. Such a move would demonstrate to a bewildered British public a constructive what today looks dangerously like a destructive

H. S. R. Watson, 116 Pall Mall. SW1

Do away with inflation

From Miss M. Gough, Sir.—The director of Help the features) I counted no fewer Aged (February 1) seems to than eight I personally know

have allowed his sympathy and emotions to overcome his companies within the past ten account (January 22) of her of the operational aspect with commonsense: if the index years. They range from one who experience in seeking training which we are all deeply confor by definition those servants

and often alone, as when Governments take 52 against this most vicious of per cent of profits in corporation tax and give it back to companies in grants, loans and subsidies of all kinds.

No wonder the bureaucracy is so extensive and expensive. Obviously, the answer here is to do away with inflation so that the index-linking withers away. Incidentally, civil servants do not make laws: they are administrators, not the legislature. (Miss) M. Gough.

. Cross Cuttages. Stogursey, Bridgwater Somerset.

Who do you miss the most?

From Mr. A. Thorne. Sir,-While I sympathise with lower paid workers, Mrs. (February 2) may be assured that there would be no shortage of volunteers among the "bankers, financiers, stockbrokers, etc." and their families to undertake the work normally done by the essential workers who are striking. Perhaps, too, the work would be done more efficiently and with better grace. but as we already know, the trade union pickets will not

permit this. Were the boot on the other foot, it is unlikely that there would be union pickets to prevent the vital public service workers taking over the running of the banks and financial institutions, but it is interesting to speculate how long it would be before the country ground to a total halt.

A. S. J. Thorne, Foxley, Hancocks Mount. Sunning lale. Ascot. Berks.

Entrepreneurial education

Sir.-While finding John de Bruyne's article "Britain: A Utopia for entrepreneurs? (January 31), a stimulating if somewhat rose-tinted contribution to the general debate as to whether we are doing sufficient to encourage the establishment of small businesses, I must disagree violently with his conclusion that the reason for a shortage of entrepreneurs is that the "British independent schools still turn out conformist and non-competitive students" who 89, Bradford Street, Bocking. are educationally unfitted for Braintrec, Essex.

risk-taking. As a member of his House at Eton I would like to re-assure him that a large number of his ex-school contemporaries are busily engaged in a wide range of entrepreneurial activities. From a House photograph of some 50 boys (in which John

linked pensions of the civil has established a service inservants were to remain static, dustry group employing over those persons affected would 700, to another who owns a and electronic servicing is sub-simply join the ranks of those West Country catering firm, and stantially correct, I hope that substantial manufacturing in-

pensions far less than the original £3,000 he quotes.

The director's less than the least 15 per cent of John de Bruyne's school contact of the pensions of them have least 15 per cent of John de Bruyne's school contact of the pensions of them have least 15 per cent of John de Bruyne's school contact of the pensions of them have least 15 per cent of John de Bruyne's school contact of the pensions of them have least 15 per cent of John de Bruyne's school contact of the pensions of them have least 15 per cent of John de Bruyne's school contact of the pensions of them have least 15 per cent of John de Bruyne's school contact of the pensions of them have least 15 per cent of John de Bruyne's school contact of the pensions of the The director's solution is are involved in entrepreneurial symptomatic of two things activities, which just goes to evidence of its harmful effect which I deolore: the attitude of show how far he has lost touch Sand, dare one hope, the necessary spur for its elimination.

This institute has for the last remedy defects by treating the symptom rather than the cause.

The institute has for the last remedy defects by treating the symptom rather than the cause. ness in the strike-ridden and bureaucratically stilling commercial atmosphere of Britain,

> Denzil How. 12, Perrymead Street. SW6.

Running your own business

From the prospective Liberal Parliamentary candidate for

Saffron Walden Sir,—It was like a breath of fresh air to read the article— Britain: a Utopia for entre-

preneurs?-by John de Bruyne (January 3). There is, I believe, such a thing as self-induced defeatism.

and the spokesman for British business-particularly the small business sector—seem to me to be guilty of it. As a selfemployed professional who started his own business, I can youch for nearly all of the points made by Mr. de Bruyne.

Too many small men who start up on their own are not equipped wind legal administrative. legal administrative legal accessary equipped with the very basic

The whole approach of the business lobby towards such legislation as the Employment Protection Act drives me to distraction. Of course it causes some extra work and involves the acquisition of legal skills and new habits towards employment. As against that, however, the better organised companies were moving this way already (if they had not already got there). And, more important, the Act should go a long way to undermining that fear of arbitrary and unjust behaviour on the part of employers which has for so long fed the fears of myriads of decent workers, and provided a rich seam for mili-tants to exploit. In my view the Employment Protection laws are in the process of neutralising one of the major sources of

industrial unrest. I think Mr. de Bruyne underappreciates the genuine wish on the part of workforces to be more involved in the businesses they are employed by. Again, however, the whole concept of participation is treated business leaders who should know much better as yet another imposition, rather than the potential solvent of age-old and destructive misunderstanding which bedevils us still. Andrew Phillips,

Seeking for

training From the Deputy Chief Executive, Manpower Services Commission, Training Services Division

Sir, - Though your corre-

whose cause he is championing, a third who has developed your readers are not led by it to imagine that the Manpower terests, largely in plastics, Services Commission is not alive, or responding, to the training needs arising from changes in micro-electronic technology. The course concerned is by

no means directly connected with these changes, and the dilemma underlying the long-Miss Barrie was made aware at a very early stage of her appli- the only shop in the street. cation, is set out at paragraphs 1.17 and 1.18 of the recent review of TOPS. There are certain courses which are heavily limited demand by employers; and this is one.

We hope that it will be posplace well before the time sug- an acceptable solution. gested in our letter to her of G. W. Trotter, November, but we prefer to perform better than we promise.

To set the record straight, we shall in the present financial year provide training under for computer-related skills (including computer en-gineering) for 800 people in London alone, and are aiming to increase that provision quite substantially.

J. D. Rimington, Manpower Services Commission, Training Services Division. Ebury Bridge House, Ebury Bridge Road, SW1.

London taxi tares

From The Chairman, London

Joint Cab Trade Committee. Sir,-Your article on the London cab trade in "Men and (January 26) quotes Matters ' only a fragment of the full statement given to its author over the telephone the preevening, and theregives your readers guite the wrong impression. New cab orders from Mann and Overton (the London suppliers) were stopped by a unanimous decision of this committee representing London's 16,000 drivers and owners.

New cabs have hitherto been

purchased by the trade in the

belief that an adequate fare increase would be forthcoming but on the contrary fares have been held down while costs have continued to rise. Since July, 1975, cab fare increases have been subject to strict Government constraints of 10p per hiring increase in December, 1976 and 10 per cent in December, 1977. During this same period, Carbodies and Mann and Overton have inflicted regular price increases in the cab trade, resulting in the new Austin cab price rising by 85 per cent and spare parts drivers feel a sense of bitterness towards their suppliers for pushing up prices while they themselves have been forced to work harder and longer to

The Under-Secretary of State superable. at the Home Office recently described the cab trade as a flourishing industry." and while this may apply to the supplying of new cabs and

make ends meet.

under the training opportunities cerned.

scheme (TOPS) in radio/TV Let the Government's own and electronic servicing is sub-Price Commission Taxicab Survey (September, 1978, Para. 5.19) make the case for us: "If funds were put into reserves at a rate adequate to finance the purchase of replacement cabs, the operating margin would be

London is the only capital city in the world with a custombuilt cab and cab drivers are quite happy to keep it that way awaited period for it, of which so long as their suppliers do

Having suffered these and other heavy increases in operating costs, the London cab trade's tain courses which are heavily second grievance is with the in demand by individuals, but Home Office for not allowing for which there is only a fares to rise to a level sufficient to recover them. At least in this connection a joint working party has been set up sible to allocate Miss Barrie a and is currently trying to reach

> London Joint Cab Trade Committee.

47. Windsor Road Slough, Berks.

The law on picketing

From the Vice-President, Employe Relations Institute of Personnel Management

Sir,-There is a temptation to react to the particular issues of the moment, whether it be the mass-picketing at Grunwick or the secondary picketing in the road haulage dispute without looking at the deeper causes and forgetting that in many cases picketing causes no apparent

This institute considers that the intention of the law-as expressed in Section 15 (a) of the Trade Union and Labour Relations Act, 1974—is clear on one point; that the immunities only apply where there is a dispute with the employer in question. If there were uniform acceptance of this interpretation of the law and if it were possible for it to be enforced, there would be no need for amendment. This, however, is not the case-as evidenced by the unserious recent happenings—and the institute considers that the law on picketing needs clarification and re-statement.

Accordingly the institute has proposed a rewording of S.15 of the 1974 Act to confine picketing to persons employed in the business concerned or officers of trade unions having (or seeking) recognition rights in that business, to confine pickets to attend at or near a place where that business is carried on, to limit the number of pickets to that appropriate to the site being sufficient to communicate information peacefully and not to cause an obstruction. Pickets by 79 per cent. London's cab should be identified and have an appointed leader.

> the changes it proposes in the law will require certain difficulties of definition to be overcome but does not consider these in-L. D. Cowan-Institute of Personnel

Upper Woburn Place, WC1.

Central House,

The institute appreciates that

UK: National Union of Mineworkers and National Coal Board negotiators meet again on pay

OFFICIAL STATISTICS

Department of the Environment publishes figures for slum clearance (fourth quarter); housing starts and completions (December): and house renovations-work completed (fourth quarter). London clearing banks' (midmonthly statement UK Banks' eligible liabilities, reserve assets, reserve

ratios and special deposits (mid-

Today's Events

PARLIAMENTARY BUSINESS House of Commons:—Debate on the disruption of the education services, till 7 pm. Private

Lords:-Land House Registration (Scotland) Bill, report. Aviation Security Fund (Amendment) Regulations 1979. Price Commission (Amendment)

Bill. committee stage. Select Committees:-Nationalised Industries, Sub-Committee A. Subject: Report and accounts. Witnesses: British Waterways Committee on Statutory Instruments, Room 4, 4.15 pm, followed by Select Committee on Statutory Instruments. COMPANY RESULTS

Final dividends: Evode Hold-ngs, Hallam, Sleigh and Interim dividends: Cheston. Crouch Group. Textured Jersey. Unitech, Interim Sgures, William Jackson and Son.

COMPANY MEETINGS Baggeridge Brick, Midland Hotel, Birmingham, 12:30, Kelsey Industries, Kelsey House, Wood Lane End, Hemel Hempstead, Herts, 11. Tomkinsons Carpels, Board. Room 8, 4 pm. Joint Duke Place, Kidderminster, 12.



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Vibroplant moves ahead to £1.6m in first half

plant Holdings, plant hire specialists, increased from £1.23m

from 3.96p to 4.422p costing £176.880 (£142.560) after waivers. In the last financial year to March 31, 1978, a total dividend of 10.6265p was paid from record pre-tax profits of £2,38m.

comment

Vibroplant. At the interim stage, the plant hire group is 30 per cent to the good at the pre-tax Comparisons with the rest of to 0.9 level indicating slightly better the sector are mostly invalidated final.

to £1.6m in the first half year ended September 30, 1978. Turnover was higher at £5.37m compared with £1.38m.

The improvement reflects the comments made by Mr. G. B. Pilkington, the group's chairman at the annual meeting last

The improvement reflects the comments made by Mr. G. B. Pilkington, the group's chairman at the annual meeting last. August. He told shareholders then that the current year had started well with profits at a satisfactory level and be	available as to whether dividends are internan or finals, and the sub-divisions shown below are based mainly on leat year's timetable. TODAY Interims—Crouch Group, Textured Jersey, Unitech. Finals—Drayton Far Eastern Trust. Evode Holdings, Hallem, Sleigh and Cheston. FUTURE DATES Interims—	grining him protection of far
expected the group to continue	Arial Industries Feb. 12 Hawthorn, Leslie Feb. 9	
growth and further increase	Meat Trade Suppliers Feb. 13	
profits in 1978-79.	Minerals and Resources Cpn. Feb. 14	
Net profits for the first six	Reliance Knitweer Feb. 15	
months were £767,451 compared	Town and City Properties Feb. 8 Zambia Copper Feb. 14	
with £588,864 after tax of	Finals—	
£831,405 against £637,936.	Alexanders Holdings Feb. 12	
The interim dividend is lifted	Arden and Cobden Hotels Feb. 7 Colonial Securities Feb. 7	_
from 3.96p to 4.422p costing	Debenture Corporation Feb. 8	
£176,880 (£142,560) after waivers.	Metal Closures Mar. 20	
	Plastic Constructions Feb. 9	'
In the last financial year to	Tube Investments Mar. 21	FÇ
March 31, 1978, a total dividend	Witter (Thomas) Feb. 13	£7

than maintained margins, where Snow and the transport strike have effectively doubled the construction industry's traditional two-week Christmas break and may therefore jeopardise the chances of sustained growth at Vibroplant. At the interim stage a 15 per cent price increase at the start of the financial year prospective figure should have been no more than 9. Comparisons with the rest of

by the group's unique position as a hirer of general non-operated plant and the industry's widely varying treatment of the crucial depreciation charge. But an historic yield of 7.5 per cent, a good track record and the group's independence of the increasingly competitive crane hire business should justify a premium price. It seems, how ever, that the recent demise of the founder and chairman should not be taken as the forerunner of any break-up of the dominant family shareholding.

Dewhurst & Partner ahead

FOLLOWING A rise from £72,530 to £127,600 in midway profits, Dewhurst and Partner, maker of electric control equip year shead at £229,045 pre-tax, compared with £167,284 for the previous 53 weeks. Turnover was £1m higher at £4.21m. After tax of £118,585 (£92,582),

stated earnings improved from 1.04p to 1.53p per 10p share, while the dividend total is lifted to 0.92p (0.83p) net with a 0.64p

Rivlin runs into £0.4m loss: Sachs still a problem

THE PROBLEMS are not over yet at I. D. and S. Rivlin, whose store subsidiary Sachs and Sherman went into receivership last

The delayed report and accounts for the year to last April contain a statement from the chairman that the difficulties arising from Sachs failure "will be overcome. But that is a medium-term rather than a shortterm objective.'

Meanwhile, the figures show a collapse in profits from £66,293 (compared with peak profits of fim in 1974) to a loss of £435,810 this, Suchs accounted for £308.000 but the companies still

trading managed to lose some Since the year end the group's fianneial affairs have been tightened. The investment in Sachs -worth £624,000-has been writ-ten off: loss making retail shops have been closed, and bank borrowings and stocks reduced. According to Mr. Leon Rivlin, the chairman, the result is that bank borrowings had been reduced by 34 per cent and stocks

by 30 per cent by October last. By Christmas bank borrowings had come down to £708,000 against the £1.3m shown in the

The unaudited net earn-

ings for the first 24 weeks of 1978.79 were \$26 203 000 compared with \$27 089 000 for the

corresponding period in the previous year. The

latter figure included a \$7 000 000 capital gain. Excluding this capital gain, net earnings im-

proved by 30 per cent over the previous cor-

responding period. This is largely the result of

substantially increased

sales revenue compared

sales revenue compared with the previous period.

Net earnings for the second twelve weeks of the period were \$14 241 000, an increase of 19 per cent over the \$11 962 000 earned in the first hyelve.

earned in the first lwelve

An interim dividend of 4.5 cents per share (1977/78 3 cents per

share) absorbing \$12.9

million has been declared. This dividend

will be paid on April 2. 1979. The registers of

members will be closed

from February 16 up to

and including February 22, 1979 to allow com-

pleted transfers received

by the company up to 5 p.m. on February 15, 1979 to be registered

before entitlements to

the dividends are deter-

Sales revenue for the 24

weeks increased by 19

per cent from the cor-

responding period last year. The increase was

due to higher prices for

copper, lead and silver.

sales volumes for zinc

and silver. This was partially offset by a

lower volume of copper

and lead sold. The

higher silver sales were

due to the continued

PRODUCTION

reduction of In-process

Copper ore treated

together with increase

SALES

October last, excluding the cost to acquisition on August 15, of closing some shops.

Furthermore, there continues to be hope that Rivlin will not be called upon to honour its fim guarantee for Sachs' borrowings from Midland Bank.

However, the company is not forthcoming over its trading profits. It explains that part of last year's problems were due to delays by the EEC in finalising import quotas for garments but beyond that says only that forecasting in the present economic climate is difficult.

The shares are still suspended but an application for re-listing is to be made shortly.

Kunick Hldgs. reaffirms £0.10m target

The directors of Kunick Holdings, manufacturer and whole-saler of fashlonwear and commission agent, reaffirm prefor the current year.

Profits before tax for remaining companies will not pre-tax profits of £16,429 made pre-tax profits of £195,000.

1978-79

CONSOLIDATED NET EARNINGS

Interest paid (net) SALES VOLUMES

concentrate)

PRICES RECEIVED

Copper ore treated

Crude (ead (lonnes)

from the corresponding period last year. How-

grade of ore mined, con-tained copper in ore milled showed an 8 per

cent increase. The 3 per

cent decrease in blister

copper production was

caused by shutdowns necessary to meet envir-

The quantity of lead ore treated increased by 7.5

per cent over the pre-

corresponding This increase

onmental conditions,

period.

Silver in products

Copper—wirebar (per tonne) Lead—(per tonne) Zinc—(per tonne) Silver—(per kilogram)

MOUNT ISA OPERATIONS

Load ore treated (tonnes) 1 191 450 Total ore treated (tonnes) 3 434 493 Blister copper (tonnes) 66 110 Crude fead (tonnes) 57 870

Transfer to trading

stock valuation reserve

EARNINGS AVAILABLE FOR APPROPRIATION

out of current year's earnings included in Cost of Sales and

and the second of the second o

15 792

1 437

24 766

62 303

68 599

165 979

the M.I.M. shareholding in Thiess Holdings Limited.

by Katina Fashions Group prior

As anticipated, there is an interim dividend—the first payment since 1972—of 0.2211p net per 10p share, which is equivalent to 0.33p gross. In a state-ment with the acquisition and rights issue, published at the end of last July, the directors forecast pre-tax profits of approxi-mately £80,000 for the year. On this basis a gross dividend of 1p would be recommended, payable as an interim of 0.33p and the balance as a final.

Little change for Clifford & Snell

From turnover of £1.03m against £0.87m, profits before tax of Clifford and Snell, electrical and electronic engineer, improved from £95,375 to £97,724 in the half year ended September 30, 197S.

(after allowing for Sachs) of months to November 30, 1978, The net interim dividend is £1.5m at the balance sheet date. rose from £6,806 to £44.352 lifted from 0.3123p to 0.3435p—
The Board now feels that the Additionally, the group derived last year's total was 0.635p from

SECOND PROGRESS REPORT

24 weeks to 24 weeks to 12 weeks to 12 weeks to Dec 17, '78 Dec 18, '77 Dec 17, '78 Dec 18, '77 (\$000's) (\$000's) (\$000's)

73 582 7 812

14 241

721

13 520

22 137

36 515

82 206

130 891 11 523

142 414

27 089 (1)

1 609

25 480

12 735 1 419

65 687

76 133

2 343 578 1 108 050 3 451 628 63 300

189 437

(1) This amount includes the \$7 000 000 capital gain from the sale of

contributed to the 14 per

cent rise in zinc concen-trate production which

was also partly a result of

higher zinc grades and

improved recovery. The 3 per cent reduction in

crude lead produced

was primarily caused by

a planned shutdown of

smelter operations associated with the com-

missioning of the new lead smelter stack.

Silver in products was

lower due to the silver

95 863 71 002 6 091

77 093 7 491 12

11 291

10 445

34 771

40 238

96 509

being somewhat less

than that mined in the

New two-year industrial agreements were nego-

tiated with unions having

members employed by Mount Isa Mines Limited

and Copper Refineries Pty. Ltd. These agree-

ments should

INDUSTRIAL

24 Weeks to December 17, 1978

DIVIDENDS ANNOUNCED

· · ·		Date	Corre		IULAL	
	Current	of s	pondin	g for	last	
	payment	payment	div.	year	year -	
African Lakes	4.4	_	3.52*	4.4	3.524	
Claverhouse	2.9	March 6	2.3	4.4	3.8	
Clifford and Snell int.	0.34	April 27	0.31	_	0.64	
Dewhurst and Partner	0.64	April 6	0.58	0.92	0.83	
Excalibur Jwilryint.	0.29	April 30	0.26		0.53	
Kuniek int.	0.33 ‡	April 30	nil	_	nil	
Stirling Knittingint.	0.35	March 30	0.35	_	0.75	
J.C. Invs.§	28	April 6	20	42	30	
		March 5	3.96		10.63	
Vibroplantint.				otherwi		Ĺ

* Equivalent after allowing for scrip issue.
† On capital increased by rights and/or acquisition issues.

§ South African gross cents throughout.

Excalibur falls at six months

Turnover stood at £2.95m against

tax of £207,425 (£244,513), earnings per 5p share are shown lower at 1,32p (1,55p). The net interim dividend is increased from 0.2634p to 0.2942p
—last year's total payment was 0.5348p on pre-tax profits of £835,000.

comment

While retail jewellers have been while retail jewellers have been enjoying the benefits of the spending boom. UK manifacturers have been having a lean time, mainly due to the high level of imports flooding the market. Excalibur is no exception, with first half profits showing a 15 per cent downturn. The results also reflect lower sales of silver items during the period, compared with the previous year's exceptional demand thanks to the Silver Jubilee. Apart from the imports problem. Excalibur is having to contend with fewer orders for watch bracelets (previously a major fits of £380,379.

A FALL in pre-tax profits from profit earner) mainly because £470.218 to £398.894 in the half-year to October 31, 1978, is reported by Excalibur Jewellery. take up the slack the company is widening its product range to include fashion items such as pendants and earnings, although competition in these fields will be severe. At 181p the shares yield a prospective 4.8 per cent.

Stirling **Knitting** half-year

PRE-TAX PROFITS of Stirling Knitting Group rose from £197,000 to £204,000 in the half-year to September 30, 1978, on turnover well ahead at £5.01m (£2.8m). After

(£102,000), earnings per 20p share are stated higher at 3.14p (3.04p). The net interim dividend is the

African Lakes picks up in second half

£761,336 in the second six months of the July 31, 1978 year, the full year result was lower at £1,204,912 compared with £1,247,229. Turnover rose £1.05m

At midway, the directors said that with an upswing in trading in the second half, it appeared likely that full year results would not be substantially less than the previous year's.

Stated yearly earnings in-creased from an adjusted 96.33p to 101.3p and the dividend is effectively lifted to 4.4p (3.52p) net. A one-for-five scrip issue is also proposed.

Attributable profits were higher at £669.913 against £637,191, after tax of £436.127 earnings per share are shown at 0.95p. (£610,038) and minorities of £134,872 this time. scription agreement has been signed with local Malawlan interests whereby they will sub-

REVIEW OF ASSETS

have been re-as

A major review of fixed

assets has been com-pleted and asset lives

to take into account

maintenance standards

and other factors. The opportunity has also been taken to adjust the

values of other assets of

limited usefulness and to review the changing

values of some explora-tion assets. This has resulted in an overall extension of asset life

and a consequent decrease in the annual de-preclation charges, in

historical cost terms, used in the published

accounts. The impact of this decrease on the results for the first 24

full year is expected to be of the order of \$4

The asset register sys-tem now includes the

facility to incorporate estimates of current cost

as expert valuation. The

total fixed assets which

at balance date had an

historical accounting value of \$601 million be-

fore depreciation are estimated to have a cur-rent cost of \$1 204

OUTLOOK There has been further

improvement in copper,

lead and silver prices since the end of the

period and if present

price levels are main-tained it is expected that

the results for the remainder of the year

better than for the first 24

weeks, thus marking

towards a more accept-

able level of earnings in

relation to total funds

R. B. BYERS

be significantly

progress

ALTHOUGH TAXABLE profits shares to be issued by Mandala of the African Lakes Corporation over a five-year period.

This will result in the level of local participation in Mandala steadily increasing from 16 per cent in the 1977-78 year to 49 per cent in the year to July 31, 1982. The group operates as a trader and planter of tea, rubber and other crops. It is also engaged

in general trading and the motor

Claverhouse

increase

PRE-TAX REVENUE of Claverhouse Investment Trust rose from £582,958 to £664,565 in the year to December 31, 1978. After tax of £221,745 (£200,257), earnings per 50p share are shown to have risen to 4.43p (3.83p). The net final dividend is increased from 2.3p Net asset value is 110.77p against 104.85p.

Souza Cruz profits up By Diana Smith

SOUZA CRUZ, the British-American Tobacco owned American Tobacco owned Brazilian company which con-trols 84 per cent of the local market, announces profits of Cr 1.25bn (\$62.2m) for 1978, an increase of 17 per cent on the Cr 1.06bn (\$53.2m) for 1977. Gross sales rose 42 per cent to Cr 47.25 bn (\$2.37m).

Profits for the period were adversely affected by a 53 per cent rise in overheads to \$450m against a previous \$294m. The cost of leaf tobacco took the cost of leaf tobacco took the heaviest toll. The average price per kilo paid to the 55,000 planters with whom Souza works, rose by 46 per cent. But, the higher price has encouraged the planters to grow more tobacco, thereby ensuring a good crop in 1970

The price of cigarettes went up by 44 per cent on January 1, which should mean better trading results by the year-end. Souza will purchase \$200m worth of tobacco leaf this year: 32 per cent more in volume and 70 per cent more in value than in 1978. Having started exporting tobacco eight years ago, Souza Cruz sold \$57m worth abroad in -20 per cent more than in

The company is one of the five largest cigarette manufacturers in the world with 300,000 sales outlets. It plans to invest some \$350m in the next eight years to meet rising demand.

LOUIS NEWMARK

Louis Newmark's watch mer chanting operations are con-ducted on a firm sales basis, not a sale-or-return basis, as indi-cated in last Friday's comment on the interim figures, according to Mr. Geoffrey Newmark, the group's chairman.

PUBLIC NOTICES

THE BURGOYNE COMMITTEE ON OFFSHORE SAFETY
The Secretary of State for Energy has recently announced the appointment of this Committee, with the fol-
"To consider so far as they are
concerned with salety, the nature, coverage and effectiveness of the Department of Energy's regulations
governing the exploration for and development and production of oil and gas offshore and their administration and onforcement. To co-
sider and assess the role of the Certifying Authorities. To present its report, conclusions and recom-
mendations as soon as possible." The Committee needs factual information, views and suggestions on the
reference. Anyone wishing to submit evidence
Submissions should be sent to Mr. David Pogson, Secretary Office
Room 1379, Thames House South, Milibank, London, Sw. 17 Joseph
01 211-8627 or 4354) from whom further information about the scope

Brentnall Beard reveals reorganisation details

Lloyd's of London insurance broker, Brentnall Beard (Hold-ings), yesterday unveiled a complex series of deals carried out during its last financial year, and after, which have reorganised the group's Canadian operations. Mr. S. M. Elsbury, the group chairman, tells shareholders in his annual statement that the

tated by the losses in the Canadian operations. Canadian turnover dropped from C\$3.71m in 1978/77 to C\$2.35m in 1977/78 which left the group with sterling losses of £595,000.

There were substantial losses on exchange, "largely due to the depreciation of the CS by 23 per cent and of the U.S.3 by 13 per cent augmst sterling in the year. The sterling equivalent of the dollar losses amounted to £317,000.

Net tangible assets in the balance sheet have increased from £436,171 to £514,782 arising from the disposal of certain interests in Canada.

But this increuse does not reflect the effect of the acquisition of the outstanding minority interests in the Canadian holding company, which took place after the year-end—this reduces not tangible assets by approximately reorganisation has been necessi-

The directors' remuneration has increased from £86.245 in 1976-77 to £147,001 in the past year. In 1975-76 that figure was year. In 1975-76 that figure was £123,563 for ten directors. Yr. Elsbury explains the latest increase: "During the past year we have brought on to our board additional director name!" additional director, namely, sinance director ... and we also co-opted to the board the chief executives from Canada and our

As a result of the reorganisation the group balance sheet has been improved.

An extraordinary item of £217,000 net of attributable taxation relates to gains on sales of interests in Canadian sub-

end structural changes to group have been sent to the

Outlined is the reduction: a holding company, Folk Insurance Holdings (which ine renamed Brentnall Be (Canada)). in three opera-subsidiaries: Deslauriers, Wil and Associates, Brentnall Be

and Associates, and Folk Underwriting Managers, Mr. Elsbury explains shareholders approval is h sought at an extraords general meeting on February 1979 (at the Lion Hotel of Cop. Shrewsbury at 12.20) sometime after the reorgan

"Because directors and entires of group companies interested in the various to actions relating to the Cana-reorganisation and because timetable for the reorganisa did not permit sharely, approval before the reorgantion had been effected. approval is being sought a extraordinary general meetin

Peak shareholders approve sale

An extraordinary general based on meeting of Peak Investments last May beld in Stockport yesterday Secretary agreed, without dissent, to the sale of the electronics section of the business to the Irish company, Nissa. Proceeds will realise £650,000 but the indebtedness of £296,415 will remain with

Nissa is the newly registered Irish company in which Peak investments' chairman, Mr. John Finch, owns 56 per cent and Mr. John Bloice, managing director of Peak Electronics, holds 14

per cent.

Mr. Robert Dingle, managing director of Peak Investments, told the meeting that it had been stated that certain City institutions were "unhappy" about the deal. He pointed out that proxy yours totalled that proxy votes totalled 1,410,908, with 272,459 against. He said: "We are satisfied that all our institutional shareholders are in favour of the proposals." The only questions were asked by local shareholders. Mrs. Sylvia Duckworth asked was the company not selling "blind"

when the deal seemed to be

general based on figures produced as at Secretary Mr. W. G. Peploc said there was not time to produce the accounts ahead of the AGM in April, and Mr. Finch said there had been problems involved in the deal which prevented it going through

last year.

Mr. Finch said the company would receive "a considerable injection" of much needed cash which was sensible for the future development of Peak Trailers, which could move into smaller and more efficient premises. The three income-producing properties in Stockport would be retained as investments.

Consideration had been given to diversifying and the work-force had also been consulted with a view to helping the company become more efficient.

Bootham optimistic

Mr. J. S. Rymer, chairman of include Bootham Engineers says in his result.

annual report that the direct remain reasonably optimabout the prospects for

group. They are continuing the pe of capital investment and have a programme of cap projects which can be sta either when they have resources to undertake then when the successful develope of a particular unit required additional capacity, he additional capacity, he additional capacity, he results as known, pre-tax profits the October 31, 1978 year-from £581,952 to £681,193 the dividend in affact. the dividend is effecti increased from 4.6075p 5.145p net per share.

MANSON FINANC For the six months to Oct 31, 1978, pre-tax profits Manson Finance Trust : £316,000, compared with £30. last time which included £5:

from sale of Govern securities. In the report on January the profit on sale of Governs securities included in the 1978 half-

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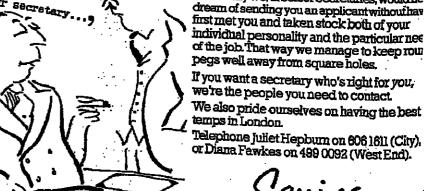


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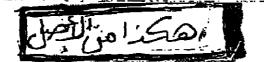
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3/6 Trump Street, ECZV SDD. 173 New Bond Street, WIY SPS.



1977

142,560

Markets BIDS and DEALS

Sheffield Brick acquires Parker Winder for £0.3m

arsh, acquired his 20 per cent . ake in the company towards the "rd of last year.

nd Achurch, a Birmingham-ased architectural tronmonger, a cost of £300,000 in cash plus further £40,000 which will be anded over after the Parker scounts for the period to

ebruary 3 are audited.
The final figure will be equal the adjusted net assets at ebruary 3. Finance for the equisition has been provided via term loan from County Bank. For the past few years heffield's performance has not ten particularly inspiring with the law profits reaching a peek of re-tax profits reaching a peak of 177,862 in 1973. In 1977 the full par figure was £145,000 and in ie first six months of 1978 the iterim pre-tax profit was £54,000. Mr. Marsh, a former chairman

f. W. J. Reynolds, the Ford
otor distributor, has indicated

Const Sheffield is capable of better

dings. He acquired his interest its two Australian subsidiaries

The £17m proposed takeover Redland, the UK building

roup, of Season-All Industries f Indiana has been put into

beyance while a review and udit of the U.S. companies 1978

Redland is mounting the bid

i conjunction with its 56.4 per

ent controlled West German

ubsidiary, Braas and Co. edland and Brass operate a

Season-All is a manunfacturar f aluminium storm screen

ofits of \$480,000 on sales of 30.6m. in the previous year et earnings were \$1.8m on sales

OLYMPIA AND YORK

Olympia and York, the private

roperty Corporation, said esterday that it was "still valuating" the information

A spokesman for Rothschilds.

ne merchant bank advising

'lympia, said the company

wards the end of the week to now which way it will be

nadequate. EPC shares, which

in a position

vailable on EPC.

EVALUATING EPC

tint U.S. subsidiary.

indows. In the nine months to

nancial results is completed.

unsuccessful oid for Sheffield

It has bought Parker Winder is a slight misnomer as the company is now almost wholly dependent on its architectural dependent depende The Brick in Sheffield's name ironmongery business. Mr. Marsh late last year advertised for a possible acquisition in the architectural and builders ironmongers and Do-It-Yourself businesses.

The Parker bid is the first visible sign of any success of the advertisement. Parker made a loss of £80,245 in the year ended March 31, 1978. Following an internal re-organisation, pre-tax profit for the six months to September 30 was £1,256 according to unaudited management accounts. Turnover in the first half was £719,428 and net tangible assets totalled £336,831.

quotation and 1p up on the bid

document is expected sometime this week, when EPC directors will again write to shareholders.

SANDELSON SELLS

Mr. Victor Sandelson, stock-broker, has sold a tenth of his 11 per cent holding in English and Overseas Investments, which

headed by Mr. John Bloom, is a

former property company now

Mr. Sandelson, who was in the

PART OF E & O

anadian property company he acquired in the autumn of which last week emerged as a 1977 as a long term investment opential bidder for English English and Overseas, once

reproduction

per cent).

The Sheffield Brick Group in the company when another Samuel Osborn Australia (Pty.), interday announced its first Sheffield-based group, Raine Sydney, and ESC Tools (Pty.), gnificant acquisition since its Engineering Industries, sold the Melbourne . This will improve the deputy chairman, Mr. Roger stake it had built up during an operating efficiency by consolitions. dating management, administration and other facilities.

BP pays £3m for Bristol Composite

One of the subsidiaries of British Petroleum, BP Capital, has agreed to buy a public but unlisted company, Bristol Compesite Materials, for £3m in cash. The terms are 290p for each ordinary share and 315p for each convertible.

Morgan Grenfell, BCM's advisers, say the offer is fair and reasonable, and the Board, which owns 22 per cent of the ordinary shares and 10 per cent of the convertible, have agreed to the offer. Other shareholders, representing respectively 29 per cent and 41 per cent of the classes of

Redland's U.S. purchase held up returned yesterday and closed at 47p-3p up on last week's final Government now owns 72.7 per cent of Bushells Investments and

SAYS WALT

the offer will be declared un-conditional on Monday. CALEDONIAN

Wereidhave disclosed yester-day that by 3:30 p.m. last Friday acceptances of its original 37p-a share offer had been received from the holders of 184,462 exist-ing fully paid voting ordinary shares, the holders of 482 prefer-The formal bid document by Loudon and Midland Industrials for Caledonian Holdings is to be ence shares and the holders of £21.246, 64 per cent convertible unsecured loan stock.

The latest Wereldhave offer issued later this week, a spokesman for LMI said last

In the meantime, Caledonian's directors say they are continuing to consider the LMI bid and—

although they were reluctant to identify them—"several other serious approaches."

They intend to make "a strong response" to LMI after the formal bid is amounced. In the meantime they advise Caledonian shareholders not to

EVODE EXTENDS SHOE SIDE

One of the subsidiaries of Evode, VIK Supplies, is extending its range of supplies to the shoe industry. It is buying a news last year with his bid for the London Pavilion property development site at Piccadilly Circus, bought 1.2m shares when Northampton group, Charles A. Quinn, which manufactures stiffening materials and shoe finishers. he became a director of E and O

ping."

EPC received a 48p a share id from Dutch property group vereldhave last Friday, which Its products are compatible with VIK's adhesives and coatings for the industry and extends VIK's position in the market which has been established Brooke Bond Liebig after its two earlier take-overs in the

ere suspended on Friday, long tussle with the Australian past six years. **Dufay in better position**

Dufay Bitumastic, which has shares at 441p on January 30.

ecently been in a bid skirmish Proprietors of Hay's Wharf—
ith Camrex (Holdings), Smith Trustee Company sold xplained to its sharebolders esterday its reasons for refusing amrex's 50p offer. On the basis of management

ecounts the outturn for 1978 ated at the time of the rights. ast September, Dufay said. The current year has started rell, it added, despite the ndustrial difficulties which the ompany, in common with ndustry generally, is facing.
For those reasons Dufay did
not recommend a general offer

o shareholders of 50p, and ought the agreement of the reasury to the dividend proosals in respect of the years 978 and 1979.

SHARE STAKES
British Syphon Industries— M. Anderson, deputy chairman, as reduced his beneficial nerest by 25,000 shares to London Investment Trust-

). R. Jessel, director, has sold 0.000 shares.

72,000 shares on January 3 reducing holding to 803,181 (4.7

BUSHELLS INV.

Minet Holdings—J. Wallrock, director, sold 50,000 shares at 160 p on January 30. Group Investors—Sun Life Assurance Society, as a result of recent purchases, has increased its holding to 540,000 shares on January 30. Holding

now 4,444,212 (27.5 per cent). GRAMPIAN HDGS. SELLS FURNITURE SUBSIDIARY

Grampian Furniture, a whollyowned subsidiary of Grampian Holdings, has been sold to Goodmoisings, has been sold to Good-trade Supermarkets for £1,000. Grampian says it has divested itself from this los-making sub-sidiary in order to deploy its re-sources more effectively. Over the past three years GF has incurred losses totalling more than £0.6m, including £0.31m during

T. Cowie—F M. C. Bowes Lyon, At end December, 1978 GF's arl of Strathmore and Kingtome, director, bought 10,000 f73,000 with its total debt

amounting to around f1.15m, including bank borrowings of

Goodtrade is to take on the Goodtrade is to take on the bank debt but loans to Grampian by GF, totalling about £0.71m, are to be written down by around £0.53m. Goodtrade will pay £94,000 of the remainder on completion and the rest between 1980 and 1983.

Grampian will have a floating charge over GF's assets as security. The discharge of the bank loan and GF's initial payment reduces Grampian's borrowings by around £0.4m.

DAWNAY DAY

On the retirement of Mr. Alan Emery, the director in charge of developing the industrial investments, Dawnay Day, the merchant bank group, is to buy out his 10 per cent interest in Dawnay Day Industries.

The subsidiary has net tangible assets of £4m or so after adjusting for post balance sheet sales, and post tax profits before extraordinary items last year were flm.

Mr Emery will receive £365,000; £115,000 in cash in June and £250,000 of unsecured loan stock on completion.

Standard Life Pensions mixed

Strong growth in both the roperty and the mixed fund in value by over £5m from the roperty fund increased in value by over £5m from £23.2m to £28.7m, with the unit price rising 9 per cent. The price of this fund has more than deplace of the fund has more than deplace of the fund has more than nember of the Standard Life Assurance Company. But the equity and fixed-interest funds emained somewhat static over he period.

The value of the Mixed Fund, blend of equities and fixed-nterest, rose by film from 173.3m to £83.3m, with the unit price increasing by 2.5 per cent. The fund, which did not buy gilts during the previous six is committed to a further nonths, invested £600,000 at the 25.7m on developments over the and of July, £2.2m at the beginnext year. With the size of the ning of October and £3.7m in fund increasing steadily, the November when the prices were ow. The managers made steady sider larger schemes and will supply the state of the st November when the prices were ow. The managers made steady purchases of equities during the period including £1.25m of U.S. equities in November.
At the end of that period, the

portiolio was split 38 per cent fixed-interest, 48 per cent UK equities, 13 per cent overseas equities and 1 per cent cash.

1:00

doubled since the launch in September, 1974. The managers report that the results of the fund's own developments are

becoming apparent. The Aber-deen industrial estate is effectively prelet and the schemes at Poole and Littlehampton are being let ahead of completion. The fund invested £2.3m in properties over the period and

continue to look foor developments with particular emphasis on small town centre schemes. The Equity Fund remained unchanged in value at £4m, with one large withdrawal offsetting cash inflow over the period. There was a net investment of

CLIVE INVESTMENTS LIMITED 1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-283 1101. Clive Fixed Interest Income

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornhill, London, EC3V 3PB. Tel.: 01-623 6314. Index Guide as at February 1, 1979
Capital Fixed Interest Portfolio
Income Fixed Interest Portfolio

£370,000 in UK equities and £101,000 in U.S. equities. The liquidity of the fund was run down from 13 per cent to 2 per

Interest fund fell slightly over the period from £1.9m to £1.5m.

shareholders of record as of February 20, 1979.

As a result of such distribution, the Conversion Price at which shares are issuable upon conversion of said Bonds will be adjusted pursuant to Condition 5(C) of the Bonds from 1188.7 Japanese Yen to 1080.6 Japanese Yen effective as of the close of business in

Tokyo on February 20, 1979. Dated: February 6, 1979

DESPITE A better demand for Virtually all sectors of the primary aluminium and firmer mining sharemarkets moved ahead yesterday in response to prices in international markets last year, the Australian market remained highly competitive. However, the Australasian

A disappointing year

Comalco—owned as to 45 per cent each by Conzine Riotinto of Australia and Kaiser Aluminium -says that its primary metal sales recovered significantly in the final quarter. While Comalco's 1978 sales rose by 26 per cent to A8501m (£286m), consolidated net profits after increased exchange losses of A\$7.7m amounted to only A\$37.4m against A\$40.2m in 1977. The latest earnings per

MINING NEWS

against 21.4 cents.
Following the 1978 interim of
45 cents which did not apply to the new shares arising out of last year's one-for-four rights issues, a final is declared of 6.5 cents on the increased capital. The total distribution is thus marginally higher than in 1977 when there was an interim of 5 cents and a final of 7.5 cents on the lower capital.

share amounted to 21.1 cents

Comalco attributes its disappointing performance for the past year to adverse changes in market conditions for a number of the company's products, increased competition and the continued rise in costs.
What remains to be seen is

ahead yesterilay in response to the strength of prices for both precious and base metals. Golds advanced across the board as the bullion price climbed \$13t to \$244f per ounce. The Gold Mines index rose 9.5 to 1814, its highest since mid-September.

Free market platinum prices also moved up to new highs of just over \$400 per ounce. Shares of South Africa's Rustenburg and Impala rose in sympathy as hopes were raised of a further increase in the producers' seling price of

Shares of the copper pro-ducers were again firm in the base-metal sections as the three months forward metal price advanced £44½ more to over £1,000 per tonne for the first time since mid-1974. Rio Tinto-Zinc put on a further 6p to a 1978-79 high of 284p while Palabora jumped 30p to

improvement in primary aluminium sales, which has also been noted in other metals, points to better conditions generally for Comalco in the current year. Guidance on this

will thus be awaited from the chairman, Sir Donald Hibberd in the annual report which is due to be sent out by March 28.

UC Investments to pay more

Mining-Union Corporation company with a portfolio of South African gold and platinum shares, today declares a final dividend of 28 cents. (16.3p), bringing the total payment for 1978 to 42 cents, a decisive increase over the 30 cents paid for 1977.

The declaration is accom-panied by an announcement of sharply raised profits caused by the high level of dividends from the gold mines and the release of RI.7m originally provided for the writing down of investments.

Net profits for 1978 are

R12.07m (£7.03m) compared

with R7.24m in 1977. Income from investments rose to R9.8m from R7.19m.

At the end of 1978 the invest-ment portfolio had a market and directors' valuation of R128 9m against R103.4m at the end of 1977. This gave a net asset value of 652 cents a share. Yesterday UC Investments shares rose 5 to 265p in line with the general market trend.

Copper recovery gives boost to Canadian mines

prices, which started last year and has markedly strengthened in recent weeks, has boosted the figures of Canadian mining groups, and opened up the possibility of bringing closed down facilities back into production. Bethlehem Copper ha

announced a tripling of its profits for the 1978 final quarter and Sherritt Gordon Mines has reported that its 1978 earnings were the best since 1974, writes John Soganich from Toronto. Madeleine Mines, the McIntyre

unit, has meanwhile launched studies to examine the possibility of reopening its copper mine in the Gaspe district of eastern Quebec. The mine was closed down in 1976.

Both Bethlehem and Sherritt have gained from the lower value of the Canadian dollar. Mr. Bryan Reynolds, the president of Bethlehem, said that fully onethird of the increase in his group's profits was due to this

In the final quarter of 1978. Bethlehem had net profits of C\$1.7m (£716,390), compared with C30.5m in the same period of 1977. For the whole year profits were C34.4m (£1.85m), or 70 cents a share, against CS0.9m, or 14 cents a share in 1977. Earnings were helped by the

operation of a new molybdenum recovery plant, but copper prices strengthened 32 per cent during 1978, and Mr. Reynolds expects continued market improvement into the early 1980s. For its part, Sherritt also benefited from higher prices for cobalt, while operating costs

were held at the Ruttan copperzinc opencast mine. share, more than three times 1977 earnings which were CS4.2m, or 33 cents a share. But this sharp increase was not solely because of metals. Fertiliser shipments were higher and so

were fertiliser earnings.

Shareholders of Yukon Consolidated Gold and Brameda Resources have approved the cent (36 per cent).

merger with Teck Corporation. Inco is declaring a first
The effect of the linking is to quarterly dividend of 10 cents

give Teck a 21 per cent holding Cultus Pacific, the Perth-based in Lornex, the copper-molybdenum operation which, pany, comments on the expanded through Rio Algom, is part of the Rio Tinto-Zine group. The merger also adds C\$22m in cash to Teck's working capital.

ROUND-UP

Gold production at West Rand Consolidated, the General Mining group producer, will be affected for at least three weeks follow-ing an accident at the Turk Shaft last Friday. Uranium production however, is not affected. The acci-dent occurred when the bridle of a loaded skip snapped, causing it to fall down the shaft, Four shifts a day are currently being vorked to repair the extensive

activities, notably in oil and gas exploration. Funds raised via share placings now amount to \$A2.4m (£1.37m) and no further share issues are planned for the near future, it is stated. Company policy is to end up with around a 10 per cent carried free interest in the uranium, base-metal and diamond prospects.

Campbell Chibougamau, the Quebec gold producer, has started extracting and milling ore from a recently developed zone containing 133,000 tons of ore, grading 0.15 ounces of gold per ton and 1.12 per cent copper. The same zone has been confirmed 175 feet higher and ex-ploration is continuing to The 1978 annual report of develop a downward extension.

Inco is not yet out of the wood

rotit of U.S.\$10,1m (25,1m), or and one of 10 tents, the total of 7 cents per share, for the fourth \$70 cents comparing with \$1.25 quarter of 1978, thanks largely to a favourable settlement of past tax issues and share sale profits. Without these benefits subsury strike which reduced 1978 nickel output by 38 per the group would have made a loss because of the strike, which the strike which to a reduction in the company's the strike which reduced to a reduction in the company's the strike which reduced to a reduction in the company's the strike which reduced to a reduction in the company's the strike which reduced to a reduction in the company's the strike which reduced to a reduction in the company's the strike which reduced to a reduction in the company's the strike which reduced to a reduction in the company's the strike which reduced to a reduction in the company's the strike which reduced to a reduction in the company's the strike which reduced to a reduction in the company's the strike which reduced to a reduction in the company's the strike which reduced to a reduction in the company's the strike which reduced to a reduction in the company to the strike which reduced to a reduction in the company to the strike which reduced to a reduction in the company to the strike which reduced to a reduction in the company to the strike which reduced to a reduction in the company to the strike which reduced to a reduction in the company to the strike which reduced to a reduction in the company to the strike which reduced to continues, at its Sudbury opera-

Furthermore, Inco warns that current quarter's results will be adversely affected "to a signi-ficant degree" by strike costs, still depressed nickel prices and Net income for 1978 was substantially increased interest C\$15.7m (£6.6m), or 123 cents a and other charges relating to the company's nickel projects in Guatemala and Indonesia.

Total net earnings for 1978 come out at \$77.8m, or 77 cents per cshare, compared with \$99.9m in 1977. The past year's sales totalled \$2.08bn against \$1.95bn, of which the ESB electric battery subsidiary contributed 38 per

JUSCO CO., LTD.

To the Holders of

JUSCO CO., LTD.

6% Convertible Bonds Due 1992

NOTICE OF FREE DISTRIBUTION OF SHARES

ADJUSTMENT OF CONVERSION PRICE

Pursuant to Clause 7 (B) of the Trust Deed dated June 16, 1977 under which the above described Bonds were issued, you are hereby notified that a free distribution of Shares of our Company at the rate of 1 share for each 10 shares held will be made to

CANADA'S lineo nickel giant for 1979. Last year, the company reports a slightly improved net made three payments of 20 cents profit of U.S.\$10.1m (£5.1m), or and one of 10 cents, the total of and one of 10 cents, the total of \$70 cents comparing with \$1.25

big unsold stocks of 111m lbs to

Inco adds that during 1978, stocks of finished nickel held by producers in the non-Communist world are estimated to have fallen by over 200m lb to approximately 550m lb. This reflects a high level of consumption coupled with lower production in the industry.

The pointers are thus to an improvement in the outlook for nickel producers as supply and demand come more into balance. But the recovery in their fortunes still looks like taking longer to develop than appears to be the case in other base-metals.

for Comalco, but . . . HALF YEAR TO 30th SEPTEMBER Group Turnover

4,384,262 5,374,271 Unaudited Profit 1,598,856 1,226,800 before Taxation Corporation Tax 52% 831,405 637,936 **Group Profit** 588,864 after Tax **767,451** Cost of Dividend

(after waivers) Net

The Directors have declared an Interim Dividend of 4.422p per share which together with the Associated Tax Credit is equivalent to 6.6p per share (1977 6p per share). The Dividend is payable to those shareholders on the Register at the 23rd February, 1979 and will be paid on the 5th March, 1979.

176,880

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Business: Plant Hire Specialists

INTERIM STATEMENT

Registered Office - Prospect Road, Starbeck. Harrogate, North Yorkshire.

> February 22nd MAJOR CONFERENCE

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SIR JOHN METHVEN

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To the holders of

BANQUE NATIONAL D'ALGERIE

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In accordance with provisions of the above Notes, American Express International Banking Corporation, as Fiscal Agent has established the Rate of Interest on such Notes for the semi-annual period ending 30th July 1979 at 1216. Interest due at the end of the interest period will be available upon surrender to any of the Paying Agents of Coupon No. 6. AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION

Dated 1st February 1979

Castlefield (Klang) Rubber Estate, Ltd.

Issued & Paid-up Capital: £300,000 in 10p shares Secretaries and Agents: errisons & Crosfield, Limited

Harrisons or C		- 5
en a servicio de la composició de la com	Year ended	Year ended 30.6.77
PROFIT & DIVIDEND Profit after tax Dividend for year	£297,988	<i>1</i> 312,791
pence per share	3.35	3_30+
absorbingExcluding special non-	£100,500 -recurring dividend o	£99,000 f 4.5p.
CRORS		
Rubber-kg	2,436,723	2,707,974
Oil Palm Fruit-tonnes	8,436	9,617
Reduction in crop due to drought	conditions	
PLANTED ACREAGE		
Rubber	4,258	4,584
Oil Palms	2,713	· 2,510

We are pleased to announce the election of

> **Brian R. Edgeley** as Managing Director

Bache Halsey Stuart (London) Ltd. Plantation House Block A, Fenchurch Street London EC3M 3EP England

We are pleased to announce the formation of

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which will commence trading effective 6th February, 1979, in certain Euro\$ Certificates of Deposit.

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RICHARD L GRAND-JEAN . Vice President has been appointed

We are pleased to announce that

General Manager in charge of our European Corporate Finance Department.

Salomon Brothers International

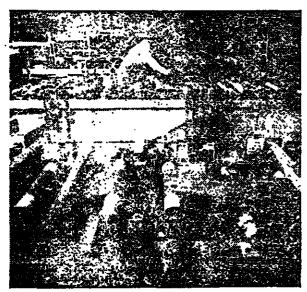
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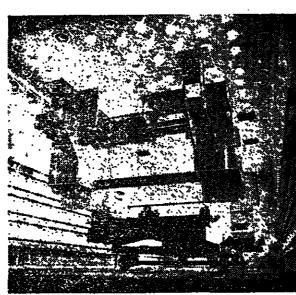
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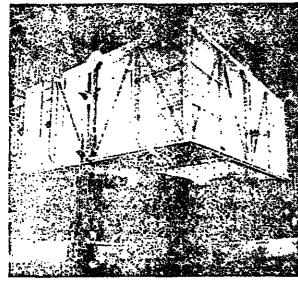
small foundry t going electric. Industrial efficiency is electric



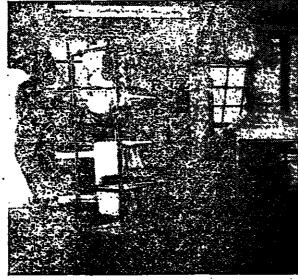
Electric vat heating gives Daly Condensers Limited, Weymouth, more economi anodising.



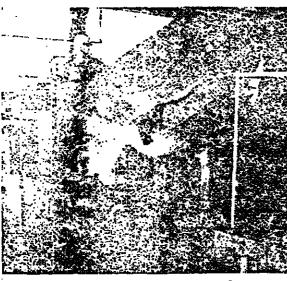
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Stainless Metalcraft Limited, Chatteris, cut heat treatment costs by 25% with electric LTM furnace.

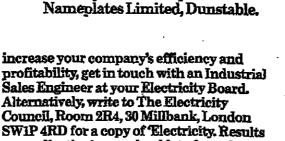


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U.S. computer boom after two sluggish years

PLANT AND equipment spend ing by U.S. industry has failed so far to play the role in the growth of the economy that Carter Administration officials had hoped but some sectors of the capital goods industry have heen enjoying boom conditions. One such is the computer in-dustry which is now seen as one of the brightest sectors even if the economy in general be-gins to slow down later in the

play a more obvious role in the day-to-day lives of many Americans outside the office as well as within it, and some electrical stores are beginning

Home computers, whatever their future, are still only the fringe of the market and it is the mainstream of the industry which has been enjoying boom

authoritative not available—there is no computer industry trade assoestimates suggest that world-wide sales of U.S. computer companies grew by around 20 per cent last year and further gains of 13 to 15 per cent are predicted for 1979.

The picture can vary within differing segments of the market, however. The newly emerging mini-computer market, for example, is thought to have increased sales by around one-third last year. Similar gains are predicted for 1979.

The computer industry has in the past had disappointing experiences as a result of customers indulging in multiple ordering of equipment in an attempt to ensure that the one order they need is met. So there is an inclination to take a cautious view of current order trends. But there is little doubt that even if the economy slows the industry is not expecting a slump in demand.

An indication of the mood in the industry has come from the earnings statements of major companies in the past two weeks. International Business Machines, for example, the company which dominates the computer business worldwide, reported that its fourth quarter earnings had increased by 27.2 per cent, a rise which was well ahead of forecasts from many of Wall Street's computer industry analysts. The fourth quarter results showed that IBM had joined the select band of companies which have earned over \$1bn in a quarter. For the year



TOP U.S. COMPUTER COMPANIES

		\			Earnings
	1978	% gain	1978 net earnings	% gain on 1977	per share
Company	revenue	on 1977			
BM .	21.3	16.2	3.1	14.4	21.2 9
loneywell	3.5	21.0	0.201	39.0	9.4
urroughs	2.5	16.0	0.253	18.0	6.21
Control Data	2.7	19.0	0.090	42.0	5.17
perry Rand*	3:0	15.0	0.154	31.0	4,39
ICR†	2.69	13.0	0.194	61.0	6 <i>.4</i> 0
Nine months figs	Jres_				

† Excluding extraordinary item and gain from discontinued operations

as a whole IBM's sales revenues were 16.2 per cent higher at \$21bn and net profit 14.4 per cent up at \$3.1bn.
IBM, noted for its sharp and management clearly not resting on its laurels announce a new range of medium - sized computers employing new technology-the cessing power at relatively lower prices.

The new models which are expected to replace older models in its 370 line introduced in the 1970s, start at as sing industry reacts to new IBM moves came immediately with two companies, a Grey-hound subsidiary and DCL Inc. announced they were postponing a \$20m merger agreement

Mr. Frank T. Cary, the company chairman, reported that IBM had record order books and said that he expected purchases of equipment to continue at a high level. Other companies, Sperry Rand and Honeywell for

dustry follows two sluggish 4300 models—which offer big years in 1974 and 1975 when improvements in data pro- many major corporations cut capital spending and put into austerity designed to reduce costs and strengthen balance sheets overburdened with debt.

Now. however, the purchase little are \$65,000. Evidence of of computer equipment is just how seriously the data pro- clearly a priority for many computer equipment is is that the industry has been bringing out new equipment. particularly at bottom ends of the range. Large, new and more powerful equipin order to gauge the impact of ment employing advances in IBM's moves on the market and technology and of course minion Wall Street the share prices computers or other computerof some IBM's competitors based equipment such as word

writers with memories and correction facilities—have been

attracting new buyers. Industry analysts cite several reasons for the surge of demand. Mr. Stephen Dube analyst for Goldman Sachs, the investment bankers, for example, pointed out that the steady decline of the price. steady decline of the price of. computer equipment has been a key factor encouraging estimated that prices for equip-ment of equivalent power have been falling by around 20 per-

cent a year.

Another factor has been the growing pressure on management to operate more efficiently and reduce costs. The service industry has been particularly concerned about low labour pro-ductivity and inflating wage costs, and banks and insurance companies have been among the most vigorous customers for new equipment. The emphasis is on new equipment which is opening up new applications for the computer and this is a key factor in the growth of demand. Major companies such as

IBM, American Telephone and Telegraph, Western Union and Xerox are now planning for what is seen as the next revolu-tion in the application of the computer to industry, the office of the future. The concept will include facilities linking data-processing equipment within companies so that, for example, internal company letters will not have to go through the U.S. mail system but will simply be transferred through private lines linked with data process. ing equipment.

While this is some years ahead, it is estimated that the future will be operating within major corporations by middle of the next decade.

There is, however, no lack of new applications now and this were concerned about the trend in the industry towards the Outright sales improve cash flow and immediate profits and mean that a company does not in a currency depreciated by

There have been fears, how ever, that if carried too far this policy might mean that the future earnings prospects for the sake of current growth. Now, with both rental and outright sales revenues beginning to increase more rapidly at companies like IBM there is less anxiety on this point.

THE CALLES outlook for the Euromarkets

What is the practical impact of the European Monetary System? How is the financial community being affected by the gathering crises in Iran and other countries in North West Asia? After the recent dollar crisis, what is the future for international reserves?

These and many other questions will be examined and discussed at 'The Euromarkets in 1979', a Financial Times Conference to be held at Grosvenor House, London, on February 21 and 22.

The conference will be opened by an address by the Rt. Hon. Harold Lever, Chancellor of the Duchy of

Lancaster. Other speakers will include, Dr. Charles A. Coombs. Director and Consultant, First Chicago International Banking Corporation; Mr.S.M. Yassukovich, Managing Director, European Banking Company Limited; The Rt. Hon. Lord Chalfont, Director, IBM (UK) Limited; Mr. Norman Robertson, Senior Vice-President and Chief Economist, Mellon Bank NA; Dr. Klaus Wieners, Senior Vice-President and Chief Economist, Westdeutsche Landesbank Girozentrale. For full details of the agenda, and

registration procedures, complete

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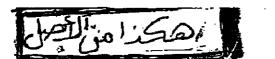
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A FINANCIAL TIMES CONFERENCE



NORTH AMERICAN NEWS

Shearson buys estate broker

BY JOHN WYLES-IN NEW YORK

SHEARSON HAYDEN STONE. one of the top ten U.S. be able to offer residential securities firms, is following mortgages through many of its industry leader, Merrill Lynch, 140 offices in the U.S. Shearson with a diversification into real plans to allocate \$5m of its estate brokerage and finance. \$140m capital to developing cstate brokerage and finance. Shearson has reached agreement on a \$16.8m purchase of

poration, a mortgage banking year with the purchase of a company based in Newport small Florida brokerage.

Beach, California. The deal apparently has two major advantages for Shearson: diversification into mortgage

finance through a company which currently services \$1.7bn in mortgages, and expansion of the company's securities brokerage services into areas where it currently has no representa-Western Pacific has 27 offices

in 15 western and south western states and the acquisition will states and the acquisition will states and the Shearson name for the first time in Georgia Tennessee, Maryland. Virginia, Idaho, Nevada and Utah.

Conversely, Shearson should Western Pacific activities. The company took its first small step Western Pacific Financial Cor- into the real estate business last

> Merrill Lynch has so far been the pacemaker in Wall Street's expansion into the real estate business. It is negotiating to buy a number of brokerages around the country and last year bought a mortgage insurance company and two mortgage banking brokering and service ing businesses.

> In its fiscal year ending last June 30, Western Pacific earned

RESULTS IN BRIEF

GATX moves into profit

NEW YORK—Railway wagon experienced a sharp setback in manufacturer GATX Corpora- 1978, with earnings dropping tion experienced a turnround from \$3.03 to \$1.95. from a loss to a profit in 1978, showing net income of \$61.92m or \$4.84 a share against a loss in 1977 of \$3.61m or 42 cents a share. Last year's results were helped by a gain of \$11.34m from the sale of the Lasalle

Bank Building. An upturn in net earnings per share was reported by the paper share was reported by the paper 92 cents to 97 cents. Electronic products company Great North-Data Systems lifted earnings ern Nekoosa, with earnings up from \$3.84 to \$4.23. The savings and loan association First For the first quarter, ARA Charter Financial Corporation Services, the vending and food advanced from \$3.27 to \$3.55, services company, reported an utility New England Electric System moved ahead from \$2.51 to \$3.21, and Western Electric, vending and building mainten-a subsidiary of American Tele- ance fields, managed to push up

St. Joe Minerals Corporation Agencies

For the first six months of the current financial year, electrical goods maker Avnet Incorporated engines and locks manufacturer Briggs and Stratton moved up from \$1.06 to \$1.49, and conelectricals concern Tandy Brands edged up from from 71 cents to 87 cents.

For the first quarter, ARA increase from \$1.31 to \$1.50. Macke, which operates in the

phone and Telegraph, saw net its income per share from 37 income rise from \$490.08m to cents to 45 cents over the first three months.

INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for, which an adequate secondary market

exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on February 5

Bell appeal on Saudi contract ruling

By Robert Gibbens in Montreal BELL CANADA, the major Eastern Canada telecommunitions utility, will appeal

direct to the federal government on the issue of whether profits from its Saudi Arabian congract should be included in its earnings for rate-

Late last week the Canadian Radio-Television and Telecommunications Commission, the regulatory authority, refused to review an earlier decision that profits from the Saudi contract should be included. Bell has estimated that its profits from the five-year CSLIbn (U.S.8935m) contract would result in total profits of C3165m. The contract was won jointly with European equipment firms

for expansion of the Saudi telecommunications system and was worth over \$3bn. Bell said its only course now is a direct Government appeal. It said the CRTC decision was "Short-sighted and not in the best long-term interest of Canada." Inclusion of revenues from such foreign contracts for domestic rate-setting purposes would remove incentive for Bell seeking further foreign work.

USI Europe sold to Exxon

NEW YORK - National Distillers and Chemical Corporation has agreed in principle to sell its European low density polyethylene operations to Exxon Chemicals, a division of Exxon Cor-

The sale is expected to be completed by April 30. Cash proceeds after tax are estimated at \$39m. The transaction calls for about \$44m to be paid in cash principally for the capital stock of USI Europe NV.

The transaction also will reduce National's consolidated debt by \$48m. AP-DJ

BY DAVID LASCELLES IN NEW YORK

\$607m. currently producing 6,500 barrels of oil a day and 25.6m diversified energy company, is cu ft of natural gas. to join Mesa Petroleum of With the sale last week of its se lie mainly in Oklahoma,

The other sale was to Getty and gas interests.

ASHLAND OIL, the large oil Oil of Los Angeles, which is to These include a 6.3 per cent exploration and production to company which is selling off its buy interests in Ashland's pro- interest in the North Sea's Brae be relatively more profitable. oil and gas properties so as to perties in the Gulf of Mexico Field and 5.4 per cent in Thistle, concentrate on refining and off Louisiana and Texas, plus as well as properties in Indomarketing, announced further various support facilities, for nesia, Nigeria and Sharjah. sales over the weekend totalling \$267m. The properties are

barrels of oil and 740bn cu it mainly on the East Coast, as of natural gas. well as Ashland's foreign oil

Ashland thus looks set to sur-

pass the \$750m it said last month it had been bid for its oil and gas assets. For Tenneco, the largest company yet to have figured in Ash-

SOUTCES Although it too has interests in the North Sea and elsewhere abroad, it has stated that it pected for some time to seek believes domestic oil and gas a home for its high cash flow.

its move into electronic com-

munications brings with it the

holders have long been thought

shareholders have long

been thought an asset in

fighting a protracted

anti-trust suit and dealing

with federal authorities

be relatively more profitable. Last year the company spent \$550m on oil and gas exploration and is expected to exceed that figure this year.

Getty Oil's domestic production has levelled out in recent years, and its acquisition may be an attempt to reverse that trend, particularly with the prospect of a loosening of U.S. domestic oil price controls. Mesa Petroleum is mainly engaged in exploration and production in the Gulf area. It had been ex-

pany's stock has always risen on

the day the split was announced,

and in eight of the last nine splits it has gained in the four-or five-month period between

the announcement and when the

ssplit becomes effective. On the

week after it announced the latest split IBM's stock gained

By raising its dividend IBM has increased the yield on its stock from about 3.7 per cent to

4.3 per cent, which is less than

the 5per cent median yield on

While its attractions to the

private investor should rest mainly on growth potential, it

may be that IBM, Dupont Mobil,

and equities in general, could also benefit from a more general

revival of equity investment,

which a cut in capital gains

taxes passed by the congress last

In its last survey of stock-

holders the NYSE found that in

absolute terms the number of individuals owning equities had

fallen 18 per cent to 25.2m. Nevertheless, although institu-tions tend to dominate trading

volume individuals in 1975

owned between 53.4 and 66.9 per

ownership has been declining

since then, but not as severely

mate that households purchased

\$600m more equities last year

The individual share of total

year is hoped to achieve.

all dividend paying stocks.

top \$1bn mark By Francis Ghilès

issues

EUROBONDS

New dollar

THE \$100m bond offering for the Canadian Export Development Corporation (EDC) announced yesterday, and the \$75m issue expected for the Province of Manitoba tomorrow, will bring the volume of new dollar denominated issues currently on offer to over \$1bn, easily the highest figure since

The EDC issue, which is being led by Credit Suisse First Boston, is being fully underwritten by the management group, which includes six other banks. Terms of this bullet issue, which are final, include a coupon of 94 for five years and a price of 994. The bonds will yield 9.38 per cent.

The \$75m 10 year bullet for the Province of Manitoba, which has been pre-underwritten, includes a coupon of 91 per cent. The pricing of the issue will take place tomorow and could be 991 or par depending on market conditions. Lead manager is Wood Gundy.

In the secondary market prices of dollar denominated issue were 1 to 2 of a point easier: this mark-down by professional traders was not the result of any selling pressure due to the dollar's weakness yesterday but more a psychological reaction to the very quick buildup of the new issue calendar over the past 10 days.

In the French Franc sector, the coupon on the FFr 200m issue for the Kingdom of Norway was cut by 1 to 91 per cent and the bonds were priced at par by the lead manager, Société Générale. The issue was more than three times oversubscribed and an estimated three-quarters placed outside France; it was especially popular with the Japanese. It is the first time since this sector of the market reopened last September that such a large percentage of an isue has been placed outside France.

Such internationalisation has been the aim of the French Treasury all along. Caution still prevails, however, and the gentlemen's agreement reached between the Treasury and the French banks last September remains in force: in particular. no single issue may top the FFr 200m mark.

In the Deutschemark sector, prices in the secondary market were unchanged in thin trading. expected to announce a DM 100m issue for an unknown address, tomorrow.

In the Yankee bond market. the European Investment Bank has filed with the Securities and Exchange Commission for an offering of \$250m of notes. This bond will carry two tranches: 2 \$100m bullet seven-year tranche and a \$150m 20-year tranche with an average life of just over 15 years. The four joint lead managers are First Boston Corporation, Merrill Lynch White Weld Capital Markets Group, Lehman Brothers Kuhn Loeb and Lazard Freres.

\$607m sale by Ashland Oil

Amarillo, Texas, to buy Ash- Rocky Mountain, Southeastern gas properties for a total \$340m. Petro Lewis for \$121m, Ashland its intention to develop domestic than the mainly in Oklahoma. Texas and Kansas, and are estime sales. But there are still a mated to contain about 2m number of properties to be sold.

holders' money.

attention

Few people need reminding that all the stock market's glittering adjectives—glamour,

slashes its market quote from 300-315 to 75-78 could make it

The most common reason

given for stock splitting

is the desire to build a

broader base of potential

public support . . . AT

and T's three million

MOTIVATION FOR SPLITTING STOCK

A base for public support

that all the stock market's possibility of government regu-glittering adjectives—glamour, lation of some of its activities, blue chip, growth—apply to AT and T has been living IBM, and that a move which with similar problems for many slashes its market quote from years, but its 3m private share-

IBM STARTED IT. Dupont and decision by AT and T, which interview, is a desire to build hobil also thought it a good idea and now many people are wondering if American Telephone and Telegraph will follow suit.

has the largest number of a broader base of potential private shareholders of any public support. IBM is still fightwoodering if American Telephone and Telegraph will follow suit.

Less the largest number of a broader base of potential private shareholders of any public support. IBM is still fightwoodering if American Telephone and Telegraph will follow and which might just worry anti-trust suit, domestic companies.

average every around 170 New York Stock Exchange listed companies imitate the action of the amoeba by splitting their stock. The move, often accompanied by a dividend increase, has become so commonplace it often warrants no more than a footnote to a chairman's statement.

But the process gains some significance when three of America's largest corporations, whose stocks are major investment items, decide within a few weeks of each other to split their stocks and thus to lower their market quotations and earnings-per-share figures.

Since IBM announced a fourr-one split (if you hold one IBM share you will receive three more) in the middle of December, first Dupont (three for one), and then Mobil (two for one) have taken similar initiatives. Several other companies have announced plans to split their stock, but between these three important companies, at least, there appears to be a common thread.

Stocks

This is a desire to increase s much as possible ownership of their shares by private Why, then, should IBM want double digits for the first time crease in many years.

Thus the opportunit correspondingly, the proportion private shareholders that curheld view on Wall Street is that IBM's move encouraged the and one implicitly supported market capitalisation for a which may not have escaped the proposed splits by Dupont and by Mr. Frank Cary, the comperiod after the announcement. board of AT and T, which meets Mobil and may prompt a similar pany's chairman, in a recent In IBM's case, with or without this month.

fierce rival for investors' an asset in fighting a similarly tention.

protracted anti-trust suit and This almost certainly appears dealing with federal regulators.

to be one of IBM's main objectives. Since 1954, the computer giant has split its stock nine IBM is that, in 1978, its earn-times, but the two-for-one divi-ings per share climbed over \$21 sion in 1968 was hitherto the and, says Mr. Harry Edelson of largest split, and the stock has Drexel, Burmam, Lambert, "in been left untouched since 1973. this age of consumerism it can But while IBM has been be embarrassing to report high rading as low as 150.5 and as earnings per share figures." trading as low as 150.5 and as high as 316.25 in the last five years, the price of the average a similar problem after a 46 per share traded on the NYSE has cent climb in net earnings to dropped from \$33.90 to below \$30. The higher the price the less likely it is to be held by a significant number of private investors and the more it will be held by large institutions.

rently own its stock? The most common answer,

Some analysts believe that another important factor for Drexel, Burnham, Lambert, "in Dupont was possibly reaching cent climb in net earnings to

\$16.15 per share.

Mobil, which says its principal Mobil, which says its principal as is commonly supposed motivation of its two-for-one Indeed, Salomon Brothers estisplit, was " to attract more individual shareholders," saw its earnings per share move into than they sold, the first net in-

a dividend increase more often for companies to capture more than not increases a company's individual investors, a fact

Thus the opportunity may be A stock split accompanied by greater now than in many years

Retailers turn in higher sales

winter weather over much of Sears. Roebuck, the nation's the fifth consecut the country weakened sales. largest retailer of general Sear's sales have dr Double-digit increases were merchandise, once again was year-earlier figures.

1977 \$ 58.2m 4.51m 0.58

NORTHWEST INDUSTRIES

CHICAGO — Most major U.S. posted by four of the nation's the exception as sales dropped retailers posted strong sales five major retail chains, with 2.8 per cent from January 1978, gains in January compared with K Mart Corporation's 20 per the final month of the fiscal the year-ago month when bitter cent gain leading the way, year for most retailers. It was Sears. Roebuck, the nation's the fifth consecutive month largest retailer of general Sear's sales have dropped from

Banco Brascan moves ahead

TORONTO - Brascan said earnings for Banco Brascan, its banking subsidiary in Brazil, totalled Cr84m (around \$4m) in 1978, compared with Cr72m

This announcement appears as a matter of record only



Cogefar Holding S.A. Luxembourg

US \$15,000,000 Medium-term Loan

Guaranteed by Bastogi Finanziaria S.p.A. Cogefar-Costruzioni Generali S.p.A.

Introduced by . Banco di Sicilia

Managed and arranged by Banca Nazionale dell'Agricoltura Banco di Santo Spirito Banco di Sicilia Italian International Bank Limited Standard Chartered Bank Limited

Agent Bank



December 1978

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Baker lat, Fin. 51- 93

Baker lat, Fin. 51- 93

1/79

34

Boots 61- 93

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100-Yokado 51- 93

100-Yokado 51- 93 * No information available—previous de price.

1 Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier. Floating Rata Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.dte=Date next coupon becomes effective. Spread=Morgin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

The Finencial Times Ltd., 1979. Reproduction in whole or in part in any torm not permitted without written consent. Data supplied by Inter-Bond Services (a subaddary of dataSTREAM International).

AMERICAN QUARTERLIES MASCO convertible bonds: Denominated in dollars unless other-wise indicated. Chg. day=Change on day. Cnv. date = First date for conversion into shares. Cnv. price= Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Pram=Percentage premium of the current effective price of sequiring shares via the bond over the most recent price of the shares.

\$ 270.3m 228.9m 29.65m 29.05m 1.30 1.28 1.02bn 864.7m 117.44m 103.59m 5.13 4.55 Net profits Net per share RUBBERMAID ALLIS-CHALMERS 1978 1977 S S 492.8m 369.1m 17.00m 13.11m 1.34 1.08 SOUTHERN COMPANY 1978 5 999m 32.94m 1,04 1977 \$ \$90m 28.52m 0.88 STANDARD BRANDS . 1978 5 216.9m 12.0m 0.60 \$ 260,9m 10.1m 0.51 972.1*m* 791.2*m*45.2*m* 36.7*m*2.26 1.83 BRUNSWICK CORPORATION 1978 1977 16.14m 1.62 14.62m 1.50 1.2bn 825,6m 42.07m 32,36m 4.23 3.32 KNIGHT-RIDDER NEWSPAPERS 1977 \$ 210.4m 19.44m 0.60 1978 5 242.8m 23.02m 0.70

TEXAS INSTRUMENTS UNITED BRANDS WHEELABRATOR-FRYE WINN'S STORES 1978 1977 5 \$ 295.7m 241.0m 12.5m 7.94m 1.11 0.71

The National Bank of Australasia Limited

Highlights from the Chairman's address

BANKS IN THE FINANCIAL MARKET

PLACE Monetary policy has been used extensively in recent years to regulate the economy. While recognizing the responsibilities of banks in the application of monetary policy, I firmly believe that the banking system has been overly restrained to the detriment of its ability to service the financial requirements of the community. From the point of view of the Government and Reserve Bank, it obviously becomes more difficult to implement economic policies through the banking system as the relative size of the latter declines. The danger exists in the long term that achievement of a given result will require the application of even stricter monetary controls, which in turn further disadvantages the banking system. This nexus can best be broken by ensuring that banks are not subject to undue restraint and are able to compete on an equal basis with other financial institutions. I am confident this can be achieved without hindering the application of monetary policy and that, in fact, it

will:actually enhance

R/A HADRIAN

U.S. \$45,530,000

Banque Européenne de Crédit (BEC)

Algemene Bank Nederland N.V.

Banque Canadienne Nationale (Europe)

Allied Irish Investment Bank Limited

Banque Européenne de Crédit (BEC)

Toronto Dominion Bank

Bergen Bank International S.A.

Dow Banking Corporation

The Mitsui Bank. Limited

Société Centrale de Banque

itseffectiveness.

INQUIRY INTO THE **AUSTRALIAN CAPITAL** MARKET

The National Bank believes there is considerable scope for freeing the banking system. We welcome the recent announcement by the Treasurer, Mr. Howard, of an inquiry into the Australian financial system. The terms of reference are sufficiently broad to cover all aspects of the financial market. The findings of the Inquiry will. I am confident, lead to the removal of distortions which have for so long prevented the banking system from playing its full role. BRIGHTER ECONOMIC OUTLOOK

The outlook for the year ahead is for firmer growth in economic activity. The decline in inflation, coupled with exchange rate adjustments of the past year, is undoubtedly helping to restore the competitiveness of Australian industries. A significantly better outlook is also emerging

for many of the nation's rural industries due to excellent seasonal conditions and greater price stability. The benefits will not only be felt by the rural community but will also have a positive impact on the economy as the year progresses. AUSTRALIA-JAPAN INTERNATIONAL **FINANCE LIMITED** The Bank continued to expand its international representation and activities during the year. A joint-venture finance in Hong Kong in partnership with the Mitsubishi Trust and Banking Corporation, Australia-Japan International Finance Limited, will provide a to corporations and governments on a world-wide basis. The company has made a successful start since commencing operations in December 1978.

SUM	MARY OF A	CCOUNTS	
	1978 S'000	1977 S'000	% Increase
Group operating profit	46,258	42,708	8.3
Total group assets	7,417,672	6,512,403	13.9
Dividend per stock unit	15.0c	14.5c	

This announcement appears as a matter of record only.

U.S. \$161,500,000

Both loans guaranteed by

NORSK GARANTIINSTITUTT FOR

SKIP OG BOREFARTØYER A/S

(Norwegian Guarantee Institute for Ships and Drilling Vessels A/S)

Managed by

Hambros Bank Limited

Canadian Imperial Bank of Commerce

Westdeutsche Landesbank Girozentrale

Co-managed by

DG BANK Deutsche Genossenschaftsbank Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

The Royal Bank of Scotland Limited

Toronto Dominion Bank

Provided by

International Commercial Bank Limited

Nederlandse Credictbank NV

Société Financière Européenne Finance Company N.V.

SFE Group

Union Bank of Norway Ltd.

Agent Bank

Hambros Bank Limited

Landesbank Rheinland-Pfalz und Saar International S.A.

Bank of British Columbia

Banque Franco Allemande S.A.

Canadian Imperial Bank of Commerce

Banque de la Société Financière Européenne - SFE Group

Allied Bank and Trust Company (Bahamas) Limited

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

Banque Continentale du Luxembourg S.A.

VOLVO AND SAAB

The old rivalry reaches a new pitch

BY WILLIAM DULLFORCE IN STOCKHOLM

and Saab-Scania, the two Swedish car and truck makers. has reached a new pitch after of its company to Norway for in Morocco. Volvo already has Skr 950m (\$218m). an assembly plant there.

Last week Saab-Scania announced a 55 per cent profit increase for 1978, a Skrl a share dividend rise and a one-for-four Skr 131m rights issue at par. Added to the package was a one-for-four scrip issue and a stock split reducing the nominal share value from Skr 100 to Skr 50 each.

This compares with the 45 per cent profit improvement for 1978 and the unchanged dividend market for its new share capital market that Saab-Scania is revolt, although he did speak out thinking of a takeover bid in the against the deal

THE RIVALRY between Volvo- long run, if not immediately. At the week-end Saab-Scania made another aggressive move when the Scania truck division the breakdown of the Volvo announced that it would start Board's effort to sell 40 per cent assembling its trucks and buses Scania's action piciously like retaliation for Volvo's move into truck

assembly in Brazil, where the running well below capacity. The background to the inflamed situation between the

two Swedish groups is the merger which aborted in 1977 amid mutual recrimination and the widespread belief, to which Volvo's managing director Mr. announced previously by Volvo. Pehr Gyllenhammar, has indi-Saab-Scania beat Volvo to the cated he subscribes, that Saab-Scania's chairman, Dr. Marcus and the terms of its new issue Wallenberg played a key role in and the stock split (putting the Saab-Scania shares onto the same nominal Skr 50 as the deal. In fact, there has been no Volvo shares) have led to specu- evidence that Dr. Wallenberg lation on the Stockholm stock stage-managed the shareholders'

terday noted the change in the such move by Dr. Wallenberg two companies' share prices and Saab-Scania imprudent in since the failed merger of 1977. the near future. Both Mr. Then Volvo shareholders were Gyllenhammar and Mr. Sten offered two Saab-Scania shares Gustafsson, Saab-Scania's manag-

and a SKr 40 convertible bond ing director, rejected the

Following the breakdown of the Volvo/Norway talks, attention has focused on Volvo's depressed stock market rating and the falled merger with Saab-Scania. In 1977 a proposed deal between the two companies valued Volvo shares at SKr 152 each compared with a present stock market value of SKr 79.50

at SKr 456 or SKr 152 per share playing its muscle. against a current Volvo share price of SKr 79.50. The stockbrokers' conclusion is that Saab-Scania could now acquire Volvo considerably more cheaply than

The situation is not, however, ripe for any such bid. The political passions aroused within the Swedish left-wing parties and trade unions by the share holders' revolt against Volvo's

for three Volvo shares. At curthought of a merger last week, rent prices this would work out But Saab-Scania is clearly dis-

Gylenhammar scheduled to visit some of his institutional shareholders this week to discuss ways of meeting Volvo's capital needs after the collapse of the Norwegian agreement which would have brought in SKr 750m in new share capital. It would be share capital. It would be difficult for Volvo to emulate Saab-Scania by making a new a very small share of the rights issue. It could not ask market.

Stockholm stockbrokers yes. Norway deal would make any shareholders for more than

Institutional shareholders and stockbrokers are more interested in the possibility of a package of index-linked shares and debentures of the kind sug-gested by the Langenskioeld stockbroking house. Mr. Thomas Fischer of Langenskioeld estimates that Volvo could raise as much as SKr 360m in this

Saab-Scania is setting up its Moroccan truck and bus-assembly plant together with a local company Cogespar SA, which will have a two-thirds interest in the joint venture. Scania will put in SKr 6m as its part of the share capital and hopes to start assembling between 300 and 400 vehicles a year in Morocco from autumn, 1980.

The Moroccan market absorbs about 2,000 heavy trucks and 300-400 buses a year. The main suppliers at present are Volvo and Renault with DAF holding

Finnish steelmakers to merge

By Lance Keyworth in Helsinki THREE Finnish companies merge their steel interests to create a company of 5,000 employees with an annual turnover of FM 1bn (\$127m) including FM 400m in

exports.

The three companies are Ovako Oy, Oy Wartsila AB and Oy Fiskars AB. Of combined iron and steel turnover Ovako accounted for FM 730m. The entire Ovako group, itself created by a merger, will join the new company when merger terms are finalised. Ovako makes long products and wire rod. The Wartsila unit is the Dahlsbruk steel works with which Ovako already has a marketing agreement. third member will be foar factories from Fiskars which produce nails, wire and steel

castings.

• After two years of restraint, Oy Nokia plans to make investments totalling FM 180m (\$45m) in the current year. The company's preliminary report for 1978 is optimistic about the prospects in the vear ahead

R/A TRAJAN

U.S. \$115,970,000

The Tokai Bank, Limited

Bank Mees & Hope NV

International Energy Bank Limited

Midland Bank Limited

The Royal Bank of Scotland Limited

WestLB International S.A.

Banque Nordeurope S.A.

DG Bank International

The Tokai Bank, Limited

January, 1979

Andresens' setback knocks stock market

BY FAY GJESTER IN NORWAY

Norway's fourth largest com-mercial bank, would be paying no dividend for 1978, came as a shock to many investors. The bank has paid around 10 per cent yearly since it was enlarged, in 1966, by its merger with Folkebanken - Realbanken. The Oslo Stock Exchange has reacted with a share price set-

back of around a tenth. Market observers had long been aware that the bank was facing problems following considerable losses on a number of engagements, particularly shipping. It has traditionally been a large lender to the shipping sector. It was, in fact, the flood of rumours about its difficulties that led Andresens to release information on its 1978 results earlier than usual-" to prevent speculation," the bank said. Normally, the bank publishes

February. last published Andresens' interim report, for the first eight months of 1978, gave little

indication of the bank's problems. On the contrary, the interim statement reported pretax profits 21.6 per cent up on the same period a year earlier. No mention was made of losses that would have to be written

At the same time, however, the financial difficulties of Norinvest, a finance company in which Andresens was heavily involved lay at the centre of stock market speculation. Though only a 10.5 per cent shareholder in Norinvest itself. Andresens had a 45 per cent shareholding in Norsk Kausjon, one of four insurance companies

belonging to a pool

To save Norinvest from bank-

nearly a quarter of the NKr 68m needed to permit its controlled liquidation. In addition, Norsk Kausjon had to agree to tee of responsibility formerly lokken. shared with the three other

companies in the pool.
In last week's announcement, Andresens said that the crisis in wegian business and industry generally, had obliged it to write-offs last year—NKr 66m (\$13m) in all. This represented

NEWS THAT Andresens Bank, its annual results in mld-ruptcy, Andresens had to put up concerned Andresens' involvement with the Waage shipping company, with a couple of heavy enginering firms (Strommens Verksted and Strommen Staal) shoulder on its own the guaran- and with a shipyard, Anker-

Under more normal condi-Andresens' statement would conceivably have led to shareholder selling. However. shipping, and the difficult the Norwegian market in bank economic conditions in Nor-shares is not "normal" at the moment because of the bank " democratisation " law that took make extraordinarily large loss effect from January 1, 1978. This law gives shareholders in a full year's pre-tax profit at the shares to the state before the bank. Andresens' gave no end of 1980. An impartial com-details about how the losses mission is currently setting the were distributed among its official price for the shares of numerous investments, but Norway's 26 commercial banks, Norinvest probably accounted based on the value of each for about NKr 21m of the total. bank's shares during the years Other substantial write-offs 1975 to 1977.

Upturn in

sales for

Flachglas

By Our Frankfurt Correspondent

FLACHGLAS; the major

West German glass maker, has reported "satisfactory"

progress in 1978 despite the continued recession

demand from the construction

industry. Sales were up

largely thanks to high demand

A shareholders' note stated

the cash turnover increased

from DM 735m in 1977 to last

year's DM 765m (\$406.1m)-a rise of 4 per cent. Despite

the strong increase in the value of the D-mark against

from the motor industry.

Phoenix ends mass market link

BY GUY HAWTIN IN FRANKFURT

is to concentrate on producing able but well overdue. technical products for the motor

group by increased competition from imported tyres from low wage cost countries in its Gummi has not been alone in feeling the draught from abroad -both of its main competitors, Continental-Gummi and Metzeler, have also been under

In the background to the painful decision lies the failed merger attempt between Phoenix-Gummi and Conti-Gummi proposed last year. Mergers between the two concerus had long been discussed and, although such a move had

According to the Phoenix- these. manufacturers and industrial Gummi management tyre sales. Therefore, shareholders, who The decision is one that has, tween 10 to 12 per cent of total turnover compared with year's well over 20 per cent. In 1978 the parent concern's total sales fell back by 8 per cent to domestic market. Phoenix- DM 486m (\$260.4m), largely as the tyre sector.

Among the things the group is to specialise in is tyres for commercial vehicles where its hard-earned" know-how should yield dividends. In doing so it will reduce its tyre output to between 2,000 and 3,000 units per day—a measure which, com-pared with 1975 figures, will reduce turnover by some DM 150m a year.

Although the measures to put all the elements of a shot-gun the company back on a sound There is still wedding as opposed to a love- footing will yield benefits for be made up.

PHOENIX GUMMIWERKE, match, the weak state of the the future, the immediate pros-West Germany's second largest tyre market seemed to indicate pects include heavy overheads tyre manufacturer, is pulling that a link-up between the two stemming from cuts in staff and out of the mass-tyre market. It groups was not merely desir- plant. The group's management is to concentrate on producing able but well overdue. 'has not yet publically quantified

> this year will contribute be have received nothing since a nominal 5 per cent dividend in 1975, should not build up too many hopes for 1979. However the management believes that the new production programme a result of poor performance in is heavily "profit orientated" and no longer endangered by pressure from imports. order levels indicate that sales should move upwards and hopes are that the group will see 1979's figures once more in the

black, The 1978 earnings figures have still to be published. But with the new production programme in operation. should not prove much of a guide to 1979's performance. There is still much ground to

the dollar, exports as a pro-portion of sales rose from 1977's 16.3 per cent to 17.8 per cent. Despite indications of an upturn in the construction sector, deliveries to the building industry during the year fell back by 10 per cent, although targets were met in the building renovations sector. For the third year in a row demand from the motor

high level.

Further rationalisation. coupled with an increase in sales of high value products.

ndustry continued at a very

During the course of 1979, the concern is to step up its activities in Brazil through its 50 per cent-owned subsidiaries operating in the window glass and safety glass sectors.

Degussa, the Frankfuribased metals and chemicals concern, is recommending a dividend of 17 per cent, un-changed from 1976-77. The group's supervisory board is to put the year's proposed payout to the annual meeting-

Swiss move on negative interest rates

DEPOSITS of proceeds from the sale of Swiss securities by non-residents will be subject to an annual 40 per cent negative interest rate beginning next March 1, according to the Swiss National Bank, AP-DJ reports

A spokesman described this just a technical measure in connection with last week's vithdrawal of the investment ban for non-residents. Since January 1975 all Swiss-franc deposits by non-residents have been subject to the negative interest which is designed to prevent the inflow of speculative funds that has strengthened the

Volume of Euromarket close to \$800bn

BY OUR EUROMARKETS STAFF

THE SIZE of the Eurocurrency markets on a gross basis reached nearly \$800bn by the end of September, 1978—a rise of almost \$150bn, or 23 per cent from one year earlier, according to latest estimates from Morgan Guaranty Trust Co. This expansion is about the same as the average annual rate of growth since the end of 1973, the bank reports. The net size of the market

had reached about \$450bn by last September, an increase of some 25 per cent.
The definition of the gross

sentation of the total foreign

size of the market is a repre-

currency liabilities on the books of banks in major market centres. In measuring the net size part of the interbank deposits in the market are netted out of the gross, in order to eliminate the double counting that results when the same funds move from one bank within the Eurocurrency market to another.

Morgan Guaranty notes that : large portion of Euromarket volume has a counterpart which is already counted in some countries' domestic money domestic money Thus, there is an extensive overlap between net Eurocurrency liabilities and domestic monetary aggregates.

led, once again, to satisfactory operating profits.

Capital investment in 1978 amounted to DM 140m compared with DM 55m in 1977.

to be held here on April 6.

EUROPARTNERS SECURITIES

Joining Wall Street's most select club

EUROPARTNERS Securities sion into other forms of U.S. main route through which these Corporation, a joint venture of equity business, including the banks funnel their U.S. investsome major European banks, embryonic options markets. has just succeeded in joining what foreigners have regarded as the most exclusive club on Wall Street. It has become the first U.S. securities firm owned by foreign banks to become a member of the big board.

The firm acknowledges that quite significant economies will be made as a result of NYSE membership. In addition, it will become a member af the exchange's clearance system. the Securities Clearing Corporation, which should result in savings in its back office opera-

EuroPartners primarily interested in gaining access to the common stock side

EuroPartners itself, as well as the New York brokerage establishment, will no doubt be counting up the costs of this breakthrough into the inner

industry. EuroPartners indicates that the cost of its seat is " near the recent floor price "-generally regarded to be around \$70,000 in the last year or so. In contrast, a seat back in 1968 com-

manded up to \$500,000. EuroPartners' shareholders are Commerzbank, Credit Lyonnais, Banco di Roma, Bank Leu of Switzerland, and Nordic Bank Ltd., the latter being the London-based consortium bank

ment business into New York. both on their own account and that of their customers.

ment trust business these banks administer means that Eurobastions of the U.S. securities Parmers sees large amounts of overseas investment business in the American markets. The firm is reluctant to comment on the exact volumes involved, but clearly volume is substantial.

The importance of such business can be gauged by the experience of the regional U.S. exchanges. For instance, up to 50 per cent of the volume on the Boston Exchange is reckoned at times to be generated by

foreign interest. EuroPartners move is the of the NYSE business, member- which groups several Scandi- latest in a whole series of events-ship should also aid its expan- navian banks. The firm is the which have opened up the U.S.

securities industry in recent years for foreign banks and

The first securities brokerage and investment banking firms The institutional and invest- owned by foreign banks were established in the U.S. in the 1960's, and become active members of the regional exchanges, such as the Philadelphia. Boston, Midwest, and Pacific markets.

In 1975, Congress passed the Securities Reform Act which included provision that U.S. Securities Exchanges must accept as members any qualified U.S. broker or dealer firm including firms owned and controlled by foreign organisations.

The NYSE's action in approving for the first time the membership application of a foreign owned securities firm is the first practical outcome of the act.

company was established Tokyo. The new company, range of financial services Melbourne, January 25, 1979 R. R. Law-Smith, Chairman

First-half profits increase for Commercial Banking

THE COMMERCIAL Banking The directors have raised Company of Sydney earned CBC's interim dividend from it has previously earned in any indicating an increase in the state of full year. Profit for the period main improvement was achieved jumped from A\$1.23m to in CBC's banking operations, A\$11.5m (\$US13.1m). This compares with earnings of ted from a return to profit by A\$7.18m in 1977-78 and the pre-

more in the first six months than 6.5 cents a share to 7.5 cents, indicating an increase in the vious record of A\$10.75m Commercial and General Acceptachieved in 1974.

Banking profits doubled from A\$5.52m to A\$10.9m which CBC attributed to a number of facincluding increased revenue from an improved assets structure, continuing close control of costs, improved systems for cheque clearance and a lower average level of statutory deposits lodged with the reserve bank

Rothmans boosts Australian earnings despite duty rise

BY OUR SYDNEY CORRESPONDENT

ROTHMANS of Pall Mail improvement. (Australia) overcame increased excise duties on tobacco and maintained at 10 cents a share. spirits to register a 43 per cent Group turnover for the period gain in profit, from A\$2.69m to rose by 27 per cent from A\$3.9m (U.S.\$4.4m), in the A\$162m to A\$206m. Rothmans December half year. Moreover, pointed out that the total the company said it was confi-dent that the result for the full December half, as a result of year would show a material severe increases last August in

The interim dividend is being

excise duty. The decline was more notable in the second quarter although there was evidence of recovery by the end of the period. Despite the downturn and

vigorous competition, Rothmans' sales rose both in terms of value and volume, indicating an in-creasing penetration of the market.

Six months upturn at Brambles

BY OUR SYDNEY CORRESPONDENT

A\$5.9m to (U.S.\$7.8m) in the December A\$118.5m. half-year, despite increased. The company said there was port and industrial operating costs and continued room for optimism with gradual operations of Brambles.

BRAMBLES INDUSTRIES the industrial unrest in many indusmajor Australian transport and tries serviced by the group.

materials handling group, boosted earnings by 16 per cent an increase of almost 13 per A\$6.9m cent in sales from \$A105m to

improving trends being indicated during the six months resulting in increased utilisation of equipment. The group was now starting to benefit from port and industrial services

> 1,799,800 2,082,801,000

545,684,000

Israel Discount Bank Limited Head Office: Tel-Aviv

Condensed Consolidated* Balance Sheet as at 31st December, 1978 £ Sterline 1,295,339,000 Cash and due from Banks 41,157,000 15,252,000 Israel Government obligations ... • U.S. Government and U.S. Agencies obligations 159,937,000 551,236,000 Loans, Bills discounted and other accounts ... 499,169,000 Loans in connection with deposits for loan purposes ... 373,328,000 15,986,000 157,222,000 £3,108,626,000 Bank premises, other property and equipment ... Customers Liabilities ...

Capital Reserves and Capital Notes including Minority Interest Convertible Debentures issued by Subsidiary Company Deposits (demand, time and savings accounts) Government, Banks and other Deposits for loan purposes Debentures issued by subsidiary. Liabilities on account of customer

£ Sterling = 1£38:6577

*Including the Balance Sheets of Barciays Discount Bank Ltd, The Mercantile Bank of Israel Ltd, The Israel Development and Mortgage Bank Ltd, Industrial Finance Bank, Discount Bank (Latin America), Montevideo and Israel Discount Trust Company, New York. Total number of Branches: 240

U.K. Representative Office: 89 Duke Street, London W.1.

Japan in record foreign lending

Japanese financial institutions made a record \$15bn in medium and long-term loans to foreigners in 1978, about 31 times the previous year's level, Japanese financial

sources said. Lending in Eurocurrencies amounted to more than \$11bn, about triple the 1977 total. Loans in yen totalled nearly \$4bn, a five-fold

The sharp increase resulted

increase

from stepped-up overseas lending by Japanese commer-cial banks seeking to expand international business and from easing of controls on such loans in mid-1977. Japan's overseas lending fell sharply after the oil crisis of 1973 amid international credit unrest, with the Finance Ministry imposing controls on Japanese banks. AP-DJ

Upturn in Japanese results

TOKYO—Ranks and broker-age houses headed the list of major Japanese businesses closing their accounts at the end of last September and reporting an average double-digit gain on their taxable income, the National Tax Administration agency an-

The announcement based on tax returns filed by 272 companies in 20 industries closing their books annually on September 30 and 177 others in 10 industries whose half-year accounts ended then.

The first group reported a combined total income of Y577bn, up by 13.4 per cent over the previous year, and the second group Y805.3bn, up by 15 per cent over the prior six-month period, the agency said.

IDB dividend unchanged

By L Daniel in Tel Aviv

ISRAEL'S Discount Bank, the country's third largest bank, will pay an unchanged cash dividend for 1978 of 30 per cent and also plans a 3-for-10 serio issue.

income of the bank in 1978 —including its subsidiaries Barclays Discount, the Mer cantile Bank of Israel, the Israel Development and Mort-gage Bank, the Industrial Finance Bank, the Discount Bank (Latin America), Monte-video and Israel Discount Trust Company, New York—came to 15421m (\$24m), compared with 1£257m a year

SOUTH AFRICAN NEWS

Highveld Steel reverses decline in performance

BY JIM JONES IN JOHANNESBURG

alloys, and the first-time con1977. Attributable profit grew Despite growing potential solidation of ferro-silicon proby 27 per cent to R12.5m markets for oil pipelines in ducer Rand Carbide have. (\$14.4m).

Review Wexico, Canada and the Soviet reversed last year's profit But the going has not all Union, Highveld's vanadium downturn of Highveld Steel and

Vanadium Corporation.

manganese and silicon ferro- over the comparable period of per cent ahead of 1977.

HIGHER STEEL export prices, ber 31, group turnover was half earnings of Highveld's improved export demand for R120.9m, a 54 per cent increase other operations were only 10.9

But the going has not all Union, Highveld's vanadium been easy for Highveld. Rand Carbide contributed 13 per cent world-wide vanadium producof earnings, meaning that first tion over-capacity.

AFTER SEVERAL years of huge losses, Folex Industries

Modest

comeback

staged by

Folex

Berhad, the second biggest text tile company on the Kuala Lumpur exchange, has managed to make a modest profit for the year ending last August.

Operating profit, before tax and extraordinary items, was 858,000 ringgits (8390,000). compared with a loss of 3,27m ringgits the year before.

Total sales rose by 26 per cent to 35m ringgits, with the second half particularly favour-able, both in terms of sales and

Chairman Chan Tak Cheung said that profitability was expec-ted to be maintained, but added that the company's prob-lems were far from over. Beamounting to over 30m ringgits. submit to schemes of reconstruction arranged by its creditors. would be disclosed at a general meeting to be called, but the aim is to improve its net asset value and the debt to equity

Coastal fishing limit improves turnover at Irvin and Johnson

BY OUR JOHANNESBURG CORRESPONDENT

IMPLEMENTATION OF a 200starting to improve performances of the country's fishing companies. This is one indica-

owned Anglovaal group sub- South Africa, I and J's trawlers mile fishing limit around South sidiary.

Africa's coast 15 months ago is Group turnover for the period rose to R80.3m (U.S.\$92.3m) compared with R75.1m for the comparable period of 1977. This tion of the results for the six took place in a climate of months to December 31, 1978, intense competition in the of fish and frozen food manuprocessed food market. With facturer Irvin and Johnson few foreign trawlers now

increased their catch.
Rationalisation of I and J's food processing division is starting to make itself felt. Attributable first half earnings have more than doubled to R2.68m (R1.33m in 1977-78) and management expects second facturer Irvin and Johnson few foreign trawlers now half earnings to at let (I and J), the 57 per cent operating within 200 miles of those of the first half. half earnings to at least match

This announcement appears as a matter of record only

Petro-Canada Exploration Inc.

Petro-Canada U.S. \$1,250,000,000

Cumulative Redeemable Floating Rate Preferred Shares

Managed by The Royal Bank of Canada

Underwritten by

The Royal Bank of Canada Canadian Imperial Bank of Commerce The Bank of Nova Scotia

Provided by

The Royal Bank of Canada Canadian Imperial Bank of Commerce The Bank of Nova Scotia Bank of Montreal Toronto-Dominion Bank

Banque Canadienne Nationale Bank of British Columbia Provincial Bank of Canada

The Royal Bank of Canada

November, 1978



This announcement appears as a matter of record only.

January 30, 1979

\$50,000,000

EMI (US) Corp.

93/4% Notes due December 31, 1993

Unconditionally guaranteed by

EMI Limited

The undersigned arranged the private placement of the above Notes with institutional investors in the United States.

Smith Barney, Harris Upham & Co. Incorporated

\$65,000,000

Celulosa Puerto Piray s.A.

PUERTO PIRAY, PROVINCIA DE MISIONES REPUBLIC OF ARGENTINA

Medium-term Euro-dollar loan guaranteed by Banco Nacional de Desarrollo

FINANCING MANAGED BY:

Morgan Guaranty Trust Company of New York, Agent

FUNDS PROVIDED BY:

Morgan Guaranty Trust Company of New York

DEUTSCHE BANK

COMPAGNIE FINANCIÈRE LUXEMBOURG

SUDAMERIS INTERNATIONAL BANKING CORPORATION

THE ROYAL BANK OF CANADA

THE BANK OF TOKYO, LTD.

Union Bank of Switzerland

This announcement appears as a matter of record only.

ra m

101

World Value of the Pound

ā.7125

5.7125 5,40k-g) I,0 1.7570 72.553

buying and selling rates except transaction without reference to where they are shown to be otherwise. In some cases market an authorised dealer. rates have been calculated from

(French France)

10.075

156,45

1.4661 8.7150

(Cont. 10.6)

(1):65,69 (U) 1.4026

Place and Local Unit

Angola....... Knauk
Antigua (S).... E. Carribean S

Argentina..... Ar. Peso Free Rat

Anetralia/St... Anetralian S Austria...... Schilling Azares...... Portug, Escudo

Bahamaş (S). Bs. Dollar Baugladeshi Si Taka Pabrain (S).... Dinar Balearic hiles. Sps. Peseta Harbados-S)... Barbados Stf.

Camero'n Bp C.F.A. France Camada....... Canadian S Canada....... Canadian S Caper Verui I. Cape V. Ascuriu Cayuum istis Cay. I., S Cett. Af. Rp. C.F. A. France Chad....... C.F.A. France Chite....... C. Petu Chita....... Ennmind Yuan Colombia...... C. Petu

mark Danish Kroner

Egyptian £

out: Fr. unica (S) E. Carthbean \$

Ethiopia Ethiopian Birr (P·41230 Eq'1') Guinea Persia

Czechoslovak korupa

Beignum..... B. Franc.

Afghanistan Argbau

applicable to any particular

Abbreviations: (S) member of

Place and Local Uni-

Faikland Is. | raikland | £

(S)
Paro 1. Danish Krone
Fiji Is. Fiji S
Finland Markta
France French Franc
Fr.CuinA* C.F.A. Franc
Fr.Guinam Loza Franc
Fr. Prec. I. U.F.P. Franc

Gabon C.F.A. France Gambia 5) Dalasi Germany Ostmark (East) Ostmark

(East) Ostumerk
Germany
West / DeutscheMark
Ghaua iSt..... Cest
Gibraliar & Gibraliar &
Gibraliar & Gibraliar &
Gibraliar & Gibraliar &
Gibraliar & Denish Kroner
Greeneda & L. E. Carribean &
Gusdaboupe ... Local Franc
Gusta isone US S
Gustainsia... Quet zal
Guinea Hep... Sily
Guinea Bresu
Guyanus iSt... Guyanese S

Guyana (Si. .. Guyanese S

Iceland (St., ! Krons
Indis (S)... Ind. Rupee
Indonesia... Ruptah
Iran Itis
Iraq Dinar
Irish Reputs... Irasi £
Israe! Israel £
Iray: Late
Ivory Coast... C.F.A. Frank

Jamaica (S).. Jamaica Dollar

Kampuchea, Riel Kenya (St..... Kenya Shilling Kenya (Stib... Wen Korea (Stib... Wen Kuwait (Stib. Kuwait Dina

Lebanoa Lebanese £
Lebanoa S. Atricen Band
Libraia Libraian S
Libya Libyan Dina
Licht'n-10 Swiss Franc
Laxembourg. Lus Franc

Haiti........ Guorde Houdura» Kep Lempira Hong Kong(5) H.K. S

Hungary Forint

The table below gives the latest available rates of exchange for the pound against various currencies on February 5, 1979, in some cases rates are nominal.

Market rates are the average of buying and soliton water areas are the average of the countries listed is officially rate; (n.e.) non-commercial rate; (fn) financial r

mate rate no direct quotation seen lately in the foreign available; (sg) selling rate; (bg) exchange market. Rates in the buying rate; (nom.) nominal; table below are not in all cases (exC) exchange certificate rate; closing rates on the dates shown.

		_		Y199.80 compared with Y201.40
n e e (la	Value o i ring	Place and Local Unit	Value of £ Sterling	previously. The probable can- cellation of huge defence orders by Iran from the U.S. was seen as one of the main reasons for
Macao Pance Unitera Portug' eE cude Ma aga s Rp. MG Franc Ma awi tSp. a wacha Mains to the litinggit	9,834] 94,40 4261g 1,6299 4,3876	St. Christo- pher (S)	6.3768 1.0 5.5766 42618 5.5766	the dollar's decline. The market was also nervous over the con- tinued political uncertainty in Iran and the possible cutback in
Ma tive I .csi Mar Rupee Ma Rp Mar Franc Matta (5) Mattere £ Martinque Local Franc Manritonia Ouguita ;	7.6167 852.25 0.7830 6.5225 85,026	St. Vincent(S) E. Ceribbean S Salvador El., Colon Samos (Am)., U.S. S San Marino Italian Live San Tome	4.88 1,9695 , 187514 94.40 6,67	oil supplies. Using Morgan Guaranty figures at noon in New York, the dollar's trade weighted average
Mauritus (2), M. Rupee Mexico	11,8447 45,12 4251 ₈ 8,5225 (O15,867/7) 6,3766	Senegal C.F.A. Franc Seychelles F. Rupes Sierrele'ne (S Leone Singapore (S), Singapore S Solomonja,/s) Tolomon L. S	4261g 15.33 1,9951 : 4,52 1,7647	depreciation widened to 8.1 per cent from 7.8 per cent. On Bank of England figures, its index fell from 85.1 to 84.5. Intervention by central banks.
Moracco Derban Mozambique. Moz. Escudo Maure Is Aust. Dollar	7,6064m 65,096	Somati kep Som Shilling seb. Attreast Rand S. W. Arreen Territories (S. S. A Rand Spain	1,7247 1,7247 1,7247 138,45	was conspicuous by its absence, with the dollar being allowed to find its own level. Sterling traded steadily for
Negal	25,87 4,005 5,5612 137,74 1,7570	Span, ports in North Africa, Peseta Sri Lauka 18,18. L. Rupes Sudan Rp Sudan £ Surinam S. Guilder Swazinant St. Liangen	138,45 \$0,636 (A)0,796 5,5612 1,7247	most of the day, but showed a slightly weaker tendency towards the close. This was reflected in its trade-weighted index which
N. Zealand (5) N.Z. Dollar Nicaragua Cordoba Niger Rp. C.F.A. Franc Nigeria (5) Naira Norway News, Erone	1,8965 15.97 4261 ₉ 1,26758(se) 10,1875	Sweten	8,6925 5,585 (A:7,809	finished at 63.3 from 63.4 on Friday, having stood at 63.4 at noon and in the early dealings.
Omeo Sultan- \ Bisi Omeol	. 0, 8 84	Taiwan Yew Taiwan Tanzania (S.), Tan. Shilting Thetand Baht Tego Rh C.F. L. Franc Tonga Is. (S.) Palunga	(P171.822 16,575 59,9725(1g) 4261 _A 1,7547	Dealers were quick to point out that sterling's apparent lack of movement was mainly due to dollar weakness. This was seen
Pakistan Past. Rupee Panama Balbos Parama.G. iši Kina Paragua) Guarani	18,65°42) 1,8896 1,3945 248, i8	Trindad (). Trin. & Tobero Tunesa	4.776 0.736(*g) 50_10 1.8895 1.7570	against the D-mark, which rose to DM 3.7125 from DM 3.7350, as did the Swiss franc to SwFr 3.3650 against SwFr 3.3850.
Philippines Ph. Peso	2327,08 (A)397,08	Usanda (S.), Ug. Shilling Unned States U.S. Dollar Uruguay Uruguay Pevo	14.57 1.8695 f(em)14.60 j ((m) 14.28	The pound opened at \$1.9890 against the dollar and eased to \$1.8780 oefore improving to \$1.9905 in the afternoon. It
Pitcairula.(8) E Sterling New ZealandSi Poland Zloty	(Con-82,74 (T)62,74	Utd.A'bEmis, U.A.E.Dirham U.S.S.R Houble Upper Volta C.F.A. Franc Vatican Italian Lire	7,58 1,52 4261 ₈	closed at \$1.9890-1.9900, a rise of 95 points from Friday's close.
Portugal Pgse. Escudo Port Timor Timor Escudo Principe Isle. Pgse. Escudo Puerto Edos U.S. 8	94,40 94,40 84,40 1,9885	Venezueia Bolivia	8.549 (O) 4.537 (T) 5.978(3)	NEW YORK—After its poor performance in European centres, the dollar continued to decline in rather heavy trading.
Qatar (S) Qatar Eyai	7,58	Western Somos (S) Semon Trie	, · ₁ 1.4558	Against the D-mark it fell to DM 1.8653 from DM 1.8863 on Friday while the Swiss franc improved to SwFr 1.6900 from
lie le la French Franc Rhodesia Rhodesian S	8,5225 7,8797 en: 8,97		* 8,95 <=; : 67,0944 : 3.0990	SwFr 1.7070. Sterling was also firmer at \$1.9885 compared with \$1.9795 and the yen firmed to

"That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa. † Rupsos per pound. ‡ General rates of and iron exports 83.56. § Based on cross rates against Russian rouble. ** Rate is the Transfer Market (controlled). †† Rate is now based on 2 Barbado to the dollar. ‡‡ Now one official rate. (U) Unified Rate. Applicable on all transactions, except countries having a bilateral agreement with Egypt, and not members of IMF.

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Union Corporation Group U.C. Investments Limited

(Incorporated in the Republic of South Africa)

PRELIMINARY ANNOUNCEMENT

The income statement for the year ended 3 shows:—	st Decemb	er, 1978,	
	1978	1977	
	R000	ROOO	S
Income from investments	9,864	7,190	l
Surplus on realisation of investments	585	317	۱,
Portion of provision for writing down		-	1
investments no longer required	1,700	1	ļ
]
	12,149	7,507	1
			1
From which must be deducted:			
Directors Fees	30	30	
Provision for writing down investments	_	150	
Interest paid on unsecured loan	17	:6	
Other expenditure—net	24	68	
			ľ
	71	264	١.
			ם
Profit before taxation	12,078	7.243	
Taxation	_	- 4	
	12.474		
PROFIT AFTER TAXATION	12,078	7,241	
Retained surplus brought forward	356	315 j	١,
		7 55.4	4
AYAILABLE	12,434	7.556	W

Share capital and reserves	1978 R000 37,144	1977 R000 33.256
Silate Capital and Jesus es accommo	====	
Mineral rights and prospecting expenditure.		
at cost, less recoupments and amounts		
written off	3	1
Investments:		
Listed Shares (Market value R123,462,000:		
1977—R82.560,000)	34,252	27.246
Unlisted Shares (Directors' Valuation	•	
R3.491,000: 1977—R20,917,000)	2.725	6.669
Debtors and Cash Assets	5,661	2.920
Loan Portion of Taxation	58	375
	42,697	37.211
Deduct: Current Liabilities	5.553	3.955

The Directors have declared a final dividend for 1978 of 28 cents South African Currency per share which, together with the interim dividend of 14 cents per share declared in July last, makes a total distribution for the year of 42 cents per share absorbing R8.190,000 (1977—R5.850,000).

DECLARATION OF DIVIDEND A Final dividend No. 31 of 28 cents per share in respect of the year ended 31st December. 1978, (making a total of 42 cents per share for the year) has been declared payable to members registered in the books of the Company at the close of business on 23rd February, 1979. The dividend is payable in South African currency. Registered Members with payment addresses in southern Africa will be paid from the Registered Office and the warrants will be drawn in South African currency. Registered Members with payment addresses elsewhere will be paid from the London Transfer Office and warrants will be drawn in United Kingdom currency: the date for determining the rate of exchange at which

London Transfer Office Granby Registration Services. Granby House, 95 Southwark Street, London, SEI OJA. 5th February, 1979.

South African currency will be converted into United Kingdom currency will be 13th March, 1979. Such Members may, however. elect to be paid in South African currency provided that any such request is received either at the Registered Office or the London Transfer Office on or before 23rd February, 1979. Dividend warrants will be posted from the Registered Office and the London Transfer Office on or about 5th April, 1979. The register of members of the Company will be closed from 26th February, 1979 to 2nd March, 1979, inclusive,

The dividend is payable subject to conditions which can be inspected at the Registered Office or at the London Transfer Office of the Company.

> per pro. UNION CORPORATION (U.K.) LIMITED. London Secretaries.
> L. W. Humphries. Princes House, 95 Gresham Street, London. ECZY 795.

Dollar weaker

The dollar lost ground against vention by the Bundesbank. In most currencies in yesterday's active trading the U.S. unit fell foreign exchange market and on fears of reduced oil output finished on or around its worst from Saudi Arabia and the conlevel for the day. Against the tinuing uncertainty in Iran. In D-mark it closed at DM 1.8650 later trading it fell further to after an earlier level of DM 1.8640 at the close. DM 1.8850 and Friday's close of DM 1.8850. Similarly the Swiss frame improved to SwFr 1.6900 from SwFr 1.7080, while the Japanese yen was stronger at Y199.80 compared with Y201.40

slightly weaker tendency towards support the close. This was reflected in its trade-weighted index which finished at 63.3 from 63.4 on Friday, having stood at 63.4 at noon and in the early dealings. Dealers were quick to point out that sterling's apparent lack of movement was mainly due to dollar weakness. This was seen against the D-mark, which rose to DM 3.7125 from DM 3.7350, as did the Swiss franc to SwFr 3.3650 against SwFr 3.3850. The pound opened at \$1,9890 against the dollar and eased to \$1.9780 before improving to \$1.9905 in the afternoon. It

NEW YORK—After its poor performance in European firmer trend, the dollar fell back centres, the dollar continued to yesterday against the yen to decline in rather heavy trading.
Against the D-mark it fell to
DM 1.8653 from DM 1.8863 on
Friday while the Swiss franc
improved to SwFr 1.6900 from \$1.9795 and the yen firmed to Y199.80 from Y201.55.

Friday, and there was no inter-

MILAN - A sharp turnaround was seen in the performance of the dollar yesterday as it fell L4 to L843.45 at the fixing. Conpreviously. The probable can-cellation of huge defence orders by Iran from the U.S. was seen of the decline. Other major curas one of the main reasons for rencies showed a firmer trend the dollar's decline. The market against the lira, with the D-mark at L450.11 from L449.72 and the Swiss franc at L496.61.

cribed as very active yesterday and the dollar showed a sharp fall against the French franc to Fr 4.3550 earlier and on Friday evening. The recent sharp imof England agures, its index of the form \$5.1 to \$4.5.

Intervention by central banks provement in the U.S. unit led was conspicuous by its absence, with the dollar being allowed to together with the Iranian situation and the sharp rise in gold, and the sharp rise in gold. find its own level.

Sterling traded steadily for the U.S. unit weakened comost of the day, but showed a ably despite central the U.S. unit weakened consider

> ZURICH -- In line with its performance in other centres, the dollar showed a shart decline in early morning trad-ing. The U.S. unit came on offer after the cancellation of sizeable defence purchases by Iran and reflected the gain in the price of gold. The U.S. unit was quoted at SwFr 1.6970 compared with SwFr 1.7062 earlier and DM 1.87174 from DM 1.8835.

AMSTERDAM - The dollar was fixed at Fl 2.0210 yesterday, down from the previous fixing level of Fl 2.0340.

Friday's close of Y202.25. The U.S. unit opened at Y201.80 and its firmness was attributable to commercial demand for import SwFr 1.7070. Sterling was also settlements. However, during firmer at \$1.9885 compared with the afternoon the situation was \$1.9795 and the yen firmed to reversed with the dollar coming on offer and easing to its clos-ing level. Trading in the spot FRANKFURT—The dollar was market totalled \$440m, with fixed at DM 1.8726 yesterday, forward trading at \$161m, and compared with DM 1.8847 on swap dealings accounting for

THE POUND SPOT

U.S. \$ 91e 1.9780 1.8805 1.9806 1.9805 1.980

8.55 0.35c-14tt 3.02 1.75 1.63c-14tt 3.12 2.56 8.55c-14tt 3.02 1.55 1.55c-14tt 3.12 2.56 1.55c-14tt 3.12 2.56 1.55c-14tt 5.62 11.62 c-14tt 5.62 11.62 Six-month forward dollar 3.05-2.95 pm. 12-month 5.30-5.20c pm.

FORWARD AGAINST £

THE DOLLAR SPOT AND FORWARD

Feb. 5	Day's spread		One month	p.a. Three months	p.a,
UK Ireland Canadat Nethind Belgium Denmark W. Ger Portugal Spain itgly Norway France Sweden Japan Austria Switzi.	1.9780-1.9905 1.9780-1.9905 23.38-83.56 2.0125-2.0195 25.34-29.65 1.8668-1.3850 47.33-47.76 65.55-70.03 842-20-847.30 5.1200-5.1610 4.2853-4.3260 199.70-207.55	1.980-1.980 2.0125-2.0145 29.34-29.36 5.1860-5.1685 1.8648-1.8658 1.8648-1.8658 47.33-47.40 69.55-69.60 842.20-842.70 5.1220-5.1240 4.2826-4.2850 199.70-199.90 13.65-13.65 1.6830-1.8905	5-4c pm 0.30-0.80ore dis 1.00-0.95pf pm 27-37c dis 40-52c dis 1.70-2.10tiredis 0,70-0.30ore pm 1.85-0.45ere pm 1.85-1.45y pm 1.50-6.75grp pm 1.00-0.90c pm	6.65 3.82-2.97pt pm -10.98 50-115c dts -8.47 1.10-1.30c dts -2.86 4.75 5.25tire dts 1.00 2.25-1.85ers pm 2.97 2.72-2.57c pm 9.57 4.10-4.00y pm 5.77 18.50-16.50gre p 10.02 4.33-4.29c pm	2.60 2.11 8.08
		t U.S. cen	ts per Canadian	I S .	

CURRENCY MOVEMENTS CURRENCY RATES Seviss Irunc Guilder French Iranc Yen 144.76
Based on trade weighted chang
Washington agreement Decemb
(8ank of England Indox=100). Norwegian krons ... 6.59813 6.88001 Paseta ... 89.5178 93.3547 Swedish krons ... 5.88976 Swiss franc ... 2.18447 2.28090

OTHER MARKETS

Feb. 5	£	S	Ì	L' Note Rates
Argantina Peso Australia Dollar Brazil Cruzoiro Finland Markka Greek Drachma Hong Kong Dollar Iran Rial Kuwait Dinar IKD Luxembourg Frc Malaysia Dollar New Zealand Dir Saudi Arab. Riyal Singapore Dollar Sth. Affican Rand	7.545-1.788 42.59-43.68 7.891:-7.901: 71.677-73.489 9.52:-9.54 151.50-161.50 0.540-0.550 58.30-58.40 4.380-4.395 1.8875-1.8935 6.52-6.72 4.3125-4.3275	0.8820.0.8845 21.45.21.96 3.9670.3.9721 36.02.36.90 4.7850.4.7950 761-811 ₂ 0.3714.0.2764 29.31.29.33 2.2015.2.2090 0.9487.0.9517 3.3275-3.3777 2.1676.2.1750	Denmark France Germany Italy Japan Netherlands Norway Portugal Spain Spain	10.25 10.35 8.48-8.58 3.65-3.75 1,660-1,710 395-405 3.98-4.08 10.15-10.25 90.99 139.75-144.75

EXCHANGE CROSS RATES

Feb. 5	PoundSterling:	U.S. Dollar	Deutschem'	k Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada I	Dollar Belgian Franc
Pound Sterling U.S. Dollar	1. 0.503	1.990	3.713 1.866	398.0 200.1	8.523 4.284	3.365 1.691	4.005 2.013	1675. 842.0	2.381 1.19	
Deutsche mark	0.269	0.536	1.	1u7.2	2.295	0.906	1.079	451.8	0.641	
Japanese Yen 1.000	2.513	4.999	9.828	1000.	21.41	8.456	10.06	4209.	5.982	
French Franc 10	1.173	2,356	4.356	467.0	10	3.948	4.699	1966	2,794	
Swiss Franc	0.297	0,591	1.103	118.3	2,533	1.	1,190	497.8	0:708	
Outch Guilder Italian Lira 1,000	0.250 0.597	0.497	0.927	99.38 237.6	2 128 5 087	0.840 2.009	1. 2.391	418.3 1000.	0.595 1.481	
Ganadian Dollar	U.420	4.836	1,559	167.2	3.579	1,413	1.683	703.5	4.081	24.51
Beigian Franc 100	1.714	5.410	6.362	682.1	14.61	5.767	6.864	2871.		100.

EURO-CURRENCY INTEREST RATES

## 15hort term	Fab. 5	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder		West German	French Franc	Italian Lira	Asian S	Japanese Yen
One Ass 12:4-12:4 10:4-11/2 10:4-14 1-14 4-14 4-19 3-34 1-1-10 10:4-17:1 1 1/-0-2	7 day's notice Month Three months	121g-125g 13 ₁₆ -131 ₄ 13 ³ 4-13 ⁷ 8	101g-105g 1014-1012 1012-1054	834.934 11-1158 1034-1118	714.712 718-738 718-738	par la la la	34.4 373 6 578.4	636. 7.5-7.6 7.8.5	101g-111g 1 1251-1354 13-14 (10 10 10 10 10 10 10 10 10 10 10 10 10 1	2.1 1 la 2.5 2 c

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.30-10.40 per cent; three months 10.45-10.55 per cent: six months 10.70-10.80 per cent; one year 10.70-10.80 per cent; three years 10%-10% per cent; for years 10%-10% per cent; for years 10%-10% per cent; for years 10%-10% per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars: two-day call for guiders and Swiss frances. Asien rates are closing rates

INTERNATIONAL MONEY MARKET

Firmer trend

Interest rates were firmer in most of the world's financial centres yesterday, although First National Bank of Chicago joined Chase Manhattan and one or two other U.S. banks in cutting its prime rate to 111 per cent from

11? per cent. Federal funds were firmer in New York in early trading, rising to 101-101 per cent, from around 10_{16} per cent at the same time on Friday. The Federal Reserve added liquidity by way of overnight repurchase agreements.

Overnight money was also up in Germany and France.

FRANKFURT — Call money

3.9 per cent, and one-month to 4.0-4.1 per cent from 3.8-3.9 per cent. Three-month funds were unchanged at 4.1-4.2 per cent,

UK MONEY MARKET

Bank of England Minimum Lending Rate 121 per cent (since November 9, 1978)

LONDON MONEY RATES

days notice...?
days notice...?
days notice...?
days notice...
me months...
Three months...
Six months...

and six-month at 4.2.4.3 per cent, but 12-month eased slightly to but period rates eased. One-4.45-4.55 per cent from 4.5.4.7 per month fell to 73.73 per cent from cent.

PARIS—Day-to-day money rose to 62 per cent from 62 per cent, and longer periods were also firmer. One-month rose to 6%-611 per cent from 61-612 per cent three-month to 611-612 per cent from 61-62 per cent; six-month to 611-612 per cent from 62-62 per cent; and 12-month to 71s-71s per cent from 71-71 per cent.

BRUSSELS—One-month funds rose to \$4.83 per cent from \$-81 per cent and three-month to \$4.83 per cent from \$1.83 per cent. Six-month and 12-month money were unchanged at 81-81

date. Banks brought forward small

Exceptional assistance

Interest rates rose quite sharply in the London money market yesterday, with one-month interbank money rising to 13 3/16-13 5/16 per cent from local authority bilis, and a small number of eligible bank bills are to be resold to the market at a fixed future date.

Banks brought forward small

12 7/16-12 15/16 per cent.

Day-to-day money was in short supply and the authorities gave an exceptionally large amount of assistance by buying an extremely large number of Trea-

Sterling | Local Local Auth. | Finance | Gertificate | Interbank | Authority | negotiable | House | House | Deposits | De

1214-125a

71-8 per cent; three-month to 71-71 per cent from 71-8 per cent. and six-month to 71-71 per cent from 71-71 per cent.
HONG KONG—The money market was easy, with call money

9) per cent SINGAPORE — Bank Negara

singapore — Bank Negara Indonesia, Banque de l'Indonesia, Banque de

cent, before easing to 7-8 per cent

11.1112 12.123 12.124 12.124 12.124 12.125 1

at 114 per cent and overnight at

Gold Bullion (fine ounce)

GOLD

Sharp

Gold rose sharply yesterday in

the London bullion market to close at \$2441-245, a rise of

£134 an ounce. The increasing probability of cuts in oil supplies should the crisis in Iran con-

tinue was seen as one of the

February 5 | February 2

Gold Coins, domestically Krugerrand .3275.278 52543-2564 (£15812-140) (£128-129) New | 5663-5834 5652-673 Sovereigns:£231-2-344 (£23-54) Old (\$70-72 56812-7012 Sovereigns:£23514-3614) (£23-3514)

Gold Coins, internationally Krugerrand, \$2501₂: 2521₂: 2527-239

Krugerrand, \$2501₂: 2521₂: 2527-239

Krugerrand, \$2501₂: 2521₂: 2527-239

Krugerrand, \$2501₄: 2521₂: 2501₂: 25

sury bills from the discount houses, plus a small amount of local authority bills, and a small disbursements over revenue payments to the Exchequer. reasons behind the dramatic improvement, together with Discount houses paid 11-111 per cent for secured call loans in the early part, and closing balances were taken at 10-11 per cent. heavy shortcovering and a general rise in precious metals. In the interbank market overnight loans opened at 111-12 per cent and touched 121-121 per

The metal finished at around its best level for the day, not far from its record closing level on October 30 last year of \$2441-2451, which was reached at the height of the dollar crisis. ln Frankfurt the 12½ kilo bar was fixed at DM 14,375 per kilo (\$238.87 per ounce) against DM13,975 (\$230.62) on Friday.

MONEY RATES

NEW YORK Fod Funda Treasury Bills (13-week) Treasury Bills (26-week) GERMANY Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 13½-13½ per cent; four years 13½-13½ per cent; two years 13½-13½ per cent; eBank bill rates in table are buying rates for prime paper. Buying rates for four-month benk bills 13½-13½ per cent; continue-month trade bills 13½-13½ per cent; three months 12½-12½ per cent; two-month 12½-12½ per cent; three months 12½-12½ per cent; and also three-month 13½-13½ per cent; one-month trade bills 13 per cent; two-month 13½-per cent; and also three-month 13½ per cent.

Finance House Rese Rates (published by the Finance Houses Association) 12½-per cent from February 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 10 per cent. Clearing Bank Rates for lending 12½ per cent.

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Early Dow fall of 9.4 on Iranian worries

PREMIUM \$2.60 to £1-947% (96;%)

Effective \$1.9895 48;% (49;%) RENEWED CONCERN about the impact of Iranian unrest on the U.S. economy pushed stocks broadly lower on Wall Street in moderate trading yesterday morning.

. The Dow Jones Industrial Average weakened 9.44 to 825.19 at 1 pm and the NYSE All Com-

Closing prices and market reports were not available for this edition.

while declines outpaced rising issues by a four-to-one margin. Turnover came to 18.32m shares. against last Friday's 1 pm level

of 16.57m. shadowed a cut in the prime rate by First National Bank of Chicago to 11! per cent from 117. Chase Manhattan and First Pennsylvania are two major mesa : 10 S35; and Getty : 10 MeLaughlin off : to CS10; Trizec banks which have already announced a similar reduction THE AMERICAN SE Market : to CS10.

intensified as the troubled nation

NEW YORK

Abbott Labs. 323 354 AM Inernational, 224 254 Aetna Life & Ca. 41 415

Allegheny Power 16:2 17:3
Allegheny Power 16:2 17:3
Allied Chemical 29:3 30:3
Allied Stores. 22 22:2
Allie Chalmers 30:3 30:3
AMAX 51 50:3
Amerada Hess. 26 25:3

Avon Products... 51 Bait, Gas Elect ... 2558

Beet'n Dick'nson 3414 Bell & Howell, ... 154 Bendix 39

Sendix 39
Senguet Cons B 41,
Bethlehem Steel 23
Black & Decker. 184
Seeing 763

Bulova Watch Jurlington Nthn.

Canadian Pacific' Cana. Randolph... Carrier & Gener. Carter Hawley... Caterpillar Tract

Central & S.W....
Certaintesd...
Cessna Aircraft...
Champion inter.
Ch'se Manhattan
Chemical Bk. NY
Chesobugh Pond
Chessie System...
Chicago Bridge...
Chrysler...
Cine. Milacron ...
Citicorp...
Citicos Service...
City Service...
City Service...
City Service...
City Investing...

Cities Service... City Investing... Cleveland Cliff GocaCola Colgate Palm... Collins Alkman...

2

7.0

Stock

Airproducts Alcan Aluminium

cancelled 57bn in U.S. defence contracts and an aide to Ayatollah Khomeini advocated nationalisation of foreign oil companies' holdings.

Among the actives. Sears Roebuck lost 1 to \$201, K Mart 1 to \$24, Avon Products 1; to \$49;, Armsfrong Cork; to \$17; ex-dividend and Boeing 1; to \$75; Orders from Iran for seven Boeing airborne radar aircraft

Raytheon fell 12 to \$471 despite winning a \$39m air force contract. It has a large exposure

mon Index fell 65 cents to 855.14, dividend and Mobil 12 to 8693. General Dynamics declined 12 to SS4!. Its order from Iran for 160 F-16 jet fighter aircraft was

cancelled. Ashland Oil, however, picked up ? to \$362. It is to sell pro-perties to Tenneco. Mesa Petroleum and Getty Oil for S607m. Tenneco eased ! to S30!, Mesa ! to S35! and Getty ! to S37! ex-dividend.

in prime rate.

Value Index was 0.85 lower at
The Iranian worries were 158.40 at 1 p.m. after moderate volume of 1.66m shares (1.35m).

Stock

Johns Manville . .

Johnson Johnson Johnson Control, Joy Manufacturg K. Mar Corp Kalser Alumini m Kaiser Industries Kaiser Steel Kaneb Services... Kay

Liggett Group 3712 3636
Lilly (Eli. 4934 4912
Litton Industries 1934 20
Lockh'ed Aircrft 22 2134
Lone Star Ind sts 2155 2112
Lone Island 18 1815
Louisiana Lond 2436 4616
Lucky Stores 15 1436
Lykes Gorpn 812
MacMillan 1112 1138
Macy R.fl 34 3416
Marathon 0ii 5712 5814
Marine Midland 1514 15
Marshall Field 1713 1758

Mess Petroleum. 3532
Minn Ming & Mtg 617a
Mobil Corpn. 714
Monsanto. 4842
Morgan J. P. 4642
Motrola 3932
Murphy Oil 4212
Nalico Chemicals 2914
National Carl. 1919

Nalco Chemicals 291, National Can 191₂

New England E. 2314 New England Te 3534 Niagara Mohawk 15:1 Niagara Share... 1019

Nat. Distillers Nat. Service Ind., 16 National Steel, . 324

Overseas Ship.
Owens Corning
Owens Illinols...
Pacific Gas...
Pacific Lighting.
Pan Pwr. & Lig
Pan Am World Air
Parker Hannifin.
Peabody Intl...
Penney J. C...
Pennacoll...
Peoples Orug
Peoples Gas...
Papsico

Perkin Elmer . ..

Pittston Plessey Ltd ADR.

Potamac Elec.... PPG Industries Procter Gamble Pub. Ter. Elect

Pullman ...
Purex ...
Quaker Oats ...
Rapid American.
Rathaon ...
RCA ...
Republic Steel ...
Resorts inti...

40 43% 25% 29 19%

Stock

Corning Glass... 541; CPC Int 'n' Bona 5014 Crane 3014 Crocker Nati 28 Crown Zellerb h. 54 Cummins Engine 5652 Curtus Wright 1435

Dana 28%
Dart Industries 41ia
Deere 35ig
Del Monte 48ia
Deltona 10ig

EmersonElectric 353; 354 EmeryAirFreight 181; 1812 Emhart ... 361; 37 E.M.L. ... 2½ 25; Engelhard ... 325; 25; Esmark ... 2514 255; Ethyi ... 2214 255; Ethyi ... 2214 231; PairchildCamera 3114 3114 PairchildCamera 3114 3114 Fed.Dept. Stores 3214 3212; Friestone Tire ... 1214 2715; Firestone Tire ... 1214 2715; Flexi Vam ... 1514 151; Florida Power ... 3214 32; Florida Power ... 3214 32; Florida Power ... 3214 32; Florida Power ... 355;

G.A.F. 1218 113, Gannett 41 4114 Gelco 28 28 Gen. Amer. Inv. 1013 1018 G.A.T.X. 2518 2435 Gen. Cable 17 163; Gen. Cable 47 4 4835 Gen. Foods 3514 35 General Mulls 2838 2838 General Motors. 5612 15612

Hewlett Packard Holiday Inns. 171: Honestake ... 35: Honeywell.... 10: Hosp Corp. Amer Houston Nat.Gas 25: Hunt Ph.A: Chm 13:: Hutton E.F. ... 17: LC. Industries ... 27: INA 41: Ingersoll Rand 48: Insico 12: 18M 308

87 17:8 32:4 70!4 10!5 28!5 25 14!4 17!3 49!6 49!6 38!7

E. G. & G 30 El Paso Nat. Gas. 17 Canada

Stocks remained easier-inclined

0.17 to 196.42.

to C\$21. Southam eased ! to C\$18? despite improved earnings and a dividend increase. Canadian Hidrogas added 5 cents at C84.60 Chemicals, Steels and Heavy on bigher first-quarter earnings.

The Real Estate index fell Fair Photo Film receded Y29

Revion. 50 is Reynolds Metals. 35 is Reynolds R.J... 58 is Rich son Merrell. 23 is Rockwell Inter. 57 is Rohm & Hass... 373;

Scovil Mrg...... 19 Scudder Duo Cap 85s

| Starling Drug ... | 164 | 1658 | Storling Drug ... | 164 | 1658 | Studebaker ... | 285a | 2954 | Sun Co... | 437g | 444 | 458 | Sundstrand ... | 23 | 2314 | 35 | Syntex ... | 3614 | 36 | Technicolor ... | 12 | 1218 | Tektronix ... | 513e | 503a | Teledyne ... | 1441 | 118 | Telex ... | 6 | 614

Tesoro Petr'ieum 9 9

Union Pacific
Uniroyal
Unitrod Brands
US Bancorp
US Gypsum
US Shoe
US Steel
Utd Technologies
UV Industries
Virginia Elect
Wallace-Murray
Warner-Commn
Warner-Lambert
Waste-Man ment
Waste-Man ment
Wells Fargo
Western N.AmerWestern Union

Wevertaeuser. 2913 Whirlpool 1775 White Con. Ind 2114 William Co. 175a Wisconsin Elect. 3614

Press reports that Saudi The Toronto Composite Index, however, was a marginal 0.2 firmer at 1.349.8 at mid-day, helped by a rise of 13.3 to 1.557.9 in the Golds index and a gain of 3.8 to 1.207.2 in the Metals and Minerals index.

Oils and Gas receded 5.4 to 1.847.8, Papers 0.48 to 156.79, Banks 0.14 to 316.83 and Utilities 0.17 to 196.42. 250m shares in the half-day session on Saturday and 350m

fourth-quarter net profits but poorer full-year results, rose i to C\$211. last Friday. and Motors and other Blue Chip shares, partly reflecting concern over the outcome of trade talks between the U.S. and Japan.

nearly 27 points, with S. B. to Y686, Nisshin Spinning Y6 to McLaughlin off 3 to CS103. Trizec Y649, Kaken Chemical Y70 to Y649, Kaken Chemical Y70 to Y2,520, Nisshin Steel Y6 to Y196, Sony Y40 to Y1,610 and Pioneer

Surpass Chemical, which last Electronic Y80 to Y2,030. traded at CSS, was halted at the However. Telkoku Oil. opening on news that it plans to together with some other energy-

CANADA

| Chieftain | 283; | Cominco | 343; | Cons. Bathurst | 127; | Consumer Gas | 183; | Costain | 131; | Costain | 131; |

For Paoples Dept. S.—
Meris & Spencer.
Place Gas & Oil... 9,48 |
Placer Develop't 275,
Power C'porat n. 225,
QuebecSturgeon 1,50
Ranger Oil...... 165,
Raed Stenhouse. 101,
Rio Algom..... 371,
Royal Bk. of Can. 401,
Royal Trustco.... 143,

| Sceptre Res' urcs: 83, 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 | 878 |

† Bid. † Asked. § Traded. | New stock.

Hawker Sid. Can. 10 10 Hollinger ... 143 434 4354 Hudson Bay Mrg. 2354 Hudson Bay... 2214 2158 Hudson Oli & Gas 59 1779 18 Imascol Com. Stk. 3834 383 imperial Oli... 2512 2138

.. 144 | 14

BP Canada..... 213 2134

margin trading have decreased

Paris

Bourse prices mainly declined in fairly active trading. Brokers said the weakness of the market was in part due to funds being diverted to the gold market, as well as to an increase in the Call Money rate to 61 from 61 per cent, continuing concern over potential labour unrest in France and the situation in Iran.

Declines predominated in all sectors apart from Stores and Rubbers, which were mixed. Notably lower were Chargeurs Reunis, Sias, Borel, Ericsson, Moet Hennessey, Generale des Eaux, Ferodo, Poclain, Michelin, Redoute, Applications des Gasz,

Bouygues, BIC, and Dollfus- Mieg. Gaining substantially against the general trend, however, were BCT, Kleber, Prenatal, CEM and Metallurgique Dunkerque.

Germany

An easier tendency prevailed yesterday, although Banks and Chemicals provided firm sectors. The Commerzbank index shed 1.8

Dealers described trading as omewhat listless with institutional investors largely staying out of the market.

Among Banks, Dresdner Bank gained DM 1.30, Deutsche Bank DM 1.10 and Commerzbank 50 pfennies. Most Chemicals scored small gains. Bayer and Hoechst put on 70 prennings each. while Degussa climbed DM 3.00. Schering, however, declined DM 1.50 and Ruetgerswerke

DM 1.00. Losses were also posted by Steels, where Thyssen shed 90 pfennigs. In Motors, Volkswagen receded DM 1.70, while Stores had Kaufhof off DM 1.50. Else-

where, Metaligeselschaft reacted DM 3.50. In Domestic Bond trading, short-dated public authority paper shed as much as 35 pfennigs, while longer dates were marked down by up to 10 pfennigs. The Bundesbank

NOTES: Overseas prices shown below exclude 3 premium. Belgian dividends are after withholding tax.

\$\phi\$ DM 50 denom, unless otherwise stated, yields based on net dividends plus tax.

\$\phi\$ Piz 500 denom, unless otherwise stated.

\$\phi\$ SWFT 500 denom, unless otherwise stated.

\$\phi\$ SWFT 500 denom, und Bearer shares unless otherwise stated. \$\pmi\$ Y50 denom, unless otherwise thated. \$\phi\$ Price at time of suspension a Florias. \$\phi\$ Schillings. \$\phi\$ Cents. \$\phi\$ Dividend after pending rights

180 235

GERMANY +

AMSTERDAM

COPENHAGEN &

Danske Bank East Asiatic Co. Finansbanken...

Handelsbank
G Nthn H (Kr90)
Nord Kabel
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Oliefabrik
Privatbank

rovinsbank Soph Berensen.

VIENNA

Roya[DutchFi30] 125.8 -0.2 51.95 8.5
Slavenburg 257 -1.5 20 7.8
Tokyo Pac Hides 129 -0.5 0.5
Viking Res. 41.5 +0.3 80.25 1.1
West-Utr. Hypok 429 -6.6 33 3.7

8.5 7,6 3,3 6.8 12

10 9s 38 -8r 10 9.9 5,4 8.5 4.0 4.0

Price + or Div. Yid

Fis. — 2 2

118.5 — 0.7 :18 4.7
29.5 — 0.6 — 325. 6.4
93.8 — 0.4 50 5.3
77.8 — 1.3 A35. 5.6
92 + 0.2 26 5.6
125.8 — 1.7 :80 6.3
75.4 — 1.3 26 5.9
286.5 — 5.5 :27.5 2.7
22.4 — 3.8 94.5 4.8
40.1 — 0.5 20 5.0
91.5 — 1.7 14 3.9
32 — 0.5 1.2 5.3
105.5 — 5.6 3 2.9
11.7 — 0.8 23 7.3
211 — 1.5 22 5.2
176 — 1.6 36 4.4
29.7 — 0.8 23 7.3
211 — 1.5 22 5.2
176 — 1.6 36 4.4
29.7 — 0.8 23 7.3
211 — 1.5 22 5.2
176 — 1.6 36 4.4
29.7 — 0.8 23 7.3
211 — 1.5 22 5.2
176 — 1.6 36 4.4
29.7 — 0.8 23 7.3
211 — 1.5 22 5.2
176 — 1.6 36 7.7
128.5 — 0.6 25 5.7
128.5 — 0.6 25 5.7
128.5 — 0.6 25 5.7
128.5 — 0.6 25 5.8
125.5 — 2.2 55.76 7.8

merge with Witco Chemical related issues, gained ground, sold a net DM 11.1m nominal of canada. paper compared with sales of DM 89m last Friday, Mark

Markets generally showed fresh buoyancy, although Coppers, strong of late on the upsurge in copper prices, reacted on profit-taking, while Oils also turned easier. The Sydney All Ordinary index rose 3.25 to a 1978-79 high of 580.46. Industrial leaders had a good

day, with BHP advancing 8 cents to A\$9.88. Pioneer Sugar gained 10 cents to A\$1.45 and C\$R 6 cents to A\$3.69 on higher sugar prices. Among Banks, CBC moved ahead 19 cents to A\$2.25 in

response to encouraging interim results. ANZ put on 4 cents to Tin and Gold shares improved

along with Beach Sands mining issues, but among the easier Copper sector, MIM receded 7 cents to A\$3.15 and Pacific Copper 4 cents to A\$1.14. Uraniums mostly marked time. except for Queensland Mines and Kathleen Investments, which softened on a belief that they will soon be calling on shareholders for cash to finance the Nabarlek uranium project.

Hong Kong The market closed sharply higher after moderately active

trading, with the Hang Seng index recording a rise of 13.96 A decision by the Exchange

Banks Association interest rate sub-committee to leave local deposit rates unchanged for the time being gave a boost to sentiment.

Hong Kong Wharf led the advance, rising HK\$1.45 to HK\$31.25, while Jardine Matheson climbed 60 cents to HK\$13.10, Hong Rong Land 45 cents to HK\$8.70 and Swire Pacific "A" 40 cents to HK\$9.20.

Johannesburg
Gold shares made good progress in fairly active trading following sharply Bullion indications. There was fairly strong Overseas interest which pushed heavyweights up to R3.00 higher.

	fficial tr forger	ority	based on 1975). † Ex. ‡ 400 Industrials. § 400 Utilisies. 40 Finance and T Sydney All Ordinary. 7/63. ** Copenhag †† Paria Bourse 1961. ‡	d		
TOKYO ¶		AUSTRALIA				
Feb. 5	Prices Yen	+ or -	Div.	Yld.	Feb. 5	
Asahi Glass Canon Casio	485 855 381 5686 270 1,020 1,750 2,750 1,200 5,750 2,910 5,910 696 696 334 1,350 283 558 1,350 745 879 2,030	19 -5 +1 -29 -2 -10 -7 -40 +2 -190 -9 +1 +1 -2 -3 -4 -3 -3 -4 -3 -4 -3 -4 -3 -3 -4 -3 -4 -3 -4 -3 -4 -3 -4 -3 -4 -3 -4 -3 -4 -4 -4 -4 -4 -4 -4 -4 -4 -4 -4 -4 -4	18 15 18 15 18 18 18 19 19 19 19 19 19 19 19 19 19 19 19 19	0.4 2.4 2.4 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5	ACMIL (25 cents) Acrow Australia AMATIL \$1 Ampol Exploration Ampol Exploration Ampol Petroleum Assoc Minerals Assoc Pulp Paper \$1 Assoc Con Industries AN.I. Audimco Aust. Foundation Inv. Aust. Oil & Gas Bemboo Creek Gold, Blue Metal Ind. Boral, Bougainville Copper Bougainville Copper Brambies Ind'ries Broken Hill Proprietary BH South Carlton United Brewery. CSR (\$1). Cockburn Cement Coles (G.J.) Cons. Goldfields Aust Container (\$1). Conzinc Riotinto Cocstain Australia	
Sekisui Prefab Shiseido Sony Taisho Marine Takeda Chem	800 1,110 1,610 245	+1 -30 -40 -7	30 20 40 11 15	1.9 0.9 1.2 2.2 1.4	Dunlop Rubber (50 cent) ESCOR	

BRUSSELS/LUXEMBOURG

PARIS

Feb. 5 Frs. — 2 2 3.0 CLT. Alcatel. CLT. Alcatel. Club Mediter Cr dit C'm.Fr'ce. Bancaire. Club Mediter Cr dit C'm.Fr'ce. Bancaire. Club Mediter Cr dit C'm.Fr'ce. Bancaire. Club Mediter Cr dit C'm.Fr'ce. Cr dit C'm.F
Ajuminium
(Y4HV/ ************************************

MILAN	٠.			
Feb. 5	Price Lire	+01	Div. Lire	Yld.
ANIC Bestogl,	54.50 525.5 2.630	35	_ 150	5.4
Finsider	2,230 172,5 24,550	—300	150 600	5.6 2.5
Mediobanco Montedison	384.5 32,205 187		1,200	3.7 -
Olivetti Priv Pirelli & Co Pirelli Spa	1,183 1,805 880	_29 _11	130 80	

Indices

NEW YORK-DOW JONES

High Low ♦ Industr'is 834.63 840.67 859.22 851.78 855.77 858.75 907.74 742.12 1051.70 41.22 (674) (12.17) (12. 25,850 27,930 30,880 28,910 24,240 64,250 — ◆ Day's high 843.38 low 852.47

Since Compil's

Jan. 26 : Jan. 19 | Jan. 12 | Year ago (appro Ind. div. yield % 5.66 5.81 5.80

STANDARD	AND P	OORS								
		: :					1978	-79	SinceC'	mpil't'n
	Feb.	Feb.	Jan-	호0 기호비·	Jan. 29	Jan. 26	High ,	Low	High	Low
:Indust'is	118,85	111,40	111,32	112,70	115,29	113.64	(18,71 (12,9)	95,52 (6/3)	ull trisi	Laby St. X.
§Composite	99.50	59,96	99,95	101.45	101.55	101,88	106,981	86.90	125,85 411-1-65	
<u></u>			Ja	n, 31	Jan.	24	Jan. 17	Ye	ar ago (approx:
ind. div. yield %		4.	4,99 9,05		6	4.97	_î	î 5,22		
		9,			6	9.01		8,69		
			·:							

Long Gov. Bond Yield | 8,84 8.91 8.97 Rises and Falls : Feb. 2 Feb. 1 | Jan.31 lesues Traded .. 1,830 1,849 1 678 Rises 659 625 466 Falls 725 775 1,033 Feb. Feb. Jan. Jan. 1276-79 1 1 31 30 High Low 55,79:56,0055,99:56,60 60,38 48,37

55.7956.0055,9956.60	(11/8)) No	icnang w Higi w Low	hs	18 17 15 7	
MONTREAL			Jan		197	8-79	
	Feb.	Feb. Feb. 2		30	High	Low	
Industrial Combined	226.35 281,12	227.62 251.76	278.89 253.21		232,44 (29/1/73) 237,05 (29/1/73)	152,90 (16/2) 170,62 (30/1)	
TORONTO Composite	1849,8	1350.7	1355.9	1572.8	1582.4 (29:1:79)	996.2 (30/1)	
JOHANNESBURG Gold Industrial	269_1 502_0	268.8 300.5	270.2 1556.9	272.5 500.7	275,3 (29;1/79) 500,8 (29,1,79)	186_0 (2040) 194.9 (18/8)	
Feb. Pre	. 1972 13 Hip	-9 [1977c			Feb. Pre-	1976-9 , 1978- ra - Hugh - Leng	
Australia(%) 580.46 577.	21 660.	46 411.	19 Sp	ain	gar ya 🎕 🏖	90. 19 95.1G	

Belgium (i) 104.78 104.41 104.79 80.45 Sweden (c) 395,45 , 394,34 | 405,00 | 525,74 Denmark(** 92.70 | 82.80 | 88.85 | 88.08 (4.%) (5.1) Switzerld(-/ 514.8 | 318.2 | 323.7 | 261.6 France (tt) 76.1 75.6 83.0 (3.10)

Germany(::) 810.5 812.50 (813) 769.4 (17.6)

Holland (191) 65.5 84.5 (93.1 76.0 (17.6)

Hong Kong 568.30 554.94 707.70 383.4 (18.10) Dec. 1953. §§ Amsterdam Industrial 1970. ¶ Hang Seng Bink 37;7/64, III Banca Commercialo Italiana 1972, a Tokyo Now SE 4/1/68. U Stants Times 1966. c Closed. d Madrid SE 29/12/78. © Stockholm Industrial 1/1/58, i Swiss Benk Corporation. a Unavail-able. | Riong Kong 088.30 | 294.94 | 707.70 | 383.4 | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) | (15.4) |

FRIDAY'S ACTIVE STOCKS Stocks Clasing Indices and base dates (all base raises 100 except NYSE All Common—50: Standards and Poors—10; and foronto 300—1,000; the last named based on 1975). † Excluding bonds, 400 Industrials. § 5400 industrials. § 540 traded 647,500

Aust. S

+0.01

+0.01

+0.05

+0-01 +0.03 +0.05 -0.66

-0.01 +0.01

+8.03

Container (51).
Conzinc Riotinto
Costain Australia
Dunion Rubber (50 cent)
ESCOR.
Elder-Smith.
Endeavour Resources.
EZ. Industries
Gen. Property Trust.
Hamersley.
Hooker
ICI Australia
Inter Copper
Jennings Industries.
Jones (David)
Lennard Oil
Metals Exploration
Metrals Exploration
Metrals Exploration
Myers Emporium
News

			2,3	
STOCKHOLM				
Feb. 5	Price Kronor	+ or	DIV. Kr.	Yid
Alfa Lavakkr.50 ASEA(Kr.50) AtlasCo co Kr.25 Billerud Bofors Cardo Cellulosa Elet'lux'B'kr50 Erics'on'Bikr50 Esselte (Free Fagersta Granges (Frse	142 83.5 111 59 138 192 250 115 140 305 128 61.6	-1 +1.0 +5 +5 +2 +7 -1 +1 +3 +1.5	5 5 6 5.75 10 5.25 5	2.5.5. 2.5.3.4.3.
Marabou Mo Och Domsto Sandvik 'B' Kra. S.K.F. 'B' Krs. Skand Enskilda. Tandstik B(Kr50 Unddeholm.	152 88 271 75.5 161 78 72	÷2 -1.5 +1 -2.5	5.75 4.5 8 5	4 5 6 5 7.5
	Fab. 5 AGA AB (Kr. 40. Affa LavanKr.50: ASEA(Kr.50: A	STOCKHOLM	AGA AB (Kr. 40). AGA AB (Kr. 40). AIfa LavalKr.50 ASEA(Kr.50). Billerud Bofors. Callulosa. Callulosa. Callulosa. Callulosa. Erics on Brikr50 Erics on Brikr50 Erics on Brikr50 Erics on Brikr50 Esselte (Free). AltasCo co Kr25 Gardo. Sando co Kr25 I38 +5 Callulosa. Sofo 1-7 Elet'lux B' Kr50 Esselte (Free). AGA B (Kr. 40). I28 +3 Granges (Free). Marabou Marabou Marabou Marabou Sandvik 'B' Kre. SAK.F. 9' Krs. SKAF. 9' Krs. SKAR Erskilda. Tandstik B(Kr50) Unddeholm. 78 +2.5 Unddeholm. 78 +2.5	STOCKHOLM

9 8.2 +1 9 8.2 +0.5 11 8.4 -0.5 20 6.3 6 11 9.4 -16 12 4.3 -0.02 109 74 120 320 116.6 -0.01 +0.01 -0.04 +0.02 +0.01

	Storebrand 88_}	+0.5	7 8.0
į	JOHANNESBURG		
Ì	MINES		
	Feb. 5	Rand	_;÷or−
į	Angio American Con	7 28	+0.2
ı	Charter Consolidated .	14.50	7.0.0
ŀ	East Driefontens.	16.25	+1.2
1	Elsburg	1.58	+0.10
4	Harmony	7.80	.+0.60
ı	Kinross	6.65	÷ 0.10
ı	Kloof	13.70	+1.2
ì	Rustenburg Platinum .	2.95	.+0.10
1	St. Helena	19.25	+1.25
۱	Southwasi	10.80	+0.3
Į	Gold Fields SA	32.50	+1.2
ì	Union Corporation	7.00	+0.2
1	De Beers Delerred	9.05	- +0 17
1	Blyvooruitzicht	6.40	+0.25
ı	Fast Rand Ptv	6 1A	+0.30

Cition Corporation 7,00	TU.
De Beers Delerred 9.05	- +0 !
Blyvooruitzicht 6.40	
East Rand Pty 6.10	+0.
Free State Geduld 34.25	. +14
President Brand 19.75	+0.7
President Steyn 116.00	+1.0
Stillontein 7.40	
Welkom 8.80	
West Driefontein 48.00	
Western Holdings 42 00	+1.5
Western Deep 18.25	•
INDUSTRIALS	
AFCI 3.80	0.0+;
Anglo-Amer, Industrial 12.50	
Barlow Rand 5.40	+0.0
CNA investments 2.10	+0.0
Currie Finance \$1.08	~0.0
Do Bears Industrial †14.50	÷0.2
Edgars, Conset Inv. 3.40	
Edgare Stores 42.00	+0.5
Fed. Volksbeleggings . 2.15	+0.0
Greatermans Stores †3.70	÷0.1
Edgare Stores) 42.00 Fed. Volksbeieggings 2.15 Greetermens Stores 13.70 Huletts 2.40	
LTA \$2.50	~0.0
McCarthy Rodway 0.84	+00
NedBank 340	-i-c.0
NedBank 3 40 OK Bazzara 18 50	
Premier Milling 6.35	~00
Pretorie Cement 4.25	+0.0
Protes Holdings 1.72	
Rand Mines Properties 2.40	+0.1
Rembrandt Group 4.13	
Retco 0.39	٠.
Sage Holdings 1.55 SAPPI 2.90 C. G. Smith Sugar 5.20	+0.0
SAPPI 2.90	+0.0
-C. G. Smith Sugar 5.20 SA Brewenes 142	+0.0
SA Brewenes 142	r U.V

### ### ### ### ### #### #############	+0.0 +0.0 +0.0 +0.0 +0.0 +0.0 +0.0
AIN Poruary 2 Per cent	- 2
nco Bilbao 254	

	LI2-1 %	Currie Finance 41	.08 ~-
748 +8	412 0 6	Do Rosco Inducernal 41.1	.50 ÷0
376.1 -6.	4 24.75 6.7 16.5 4.2	Edgars Consd. Inv 3	.40 ·
J 391 I—8	16,5 4.2	Edgare Stores 42	.00 +0 .15 +0
556 -8	26.25 4.7	Fed. Volksbeieggings . 2	.15 +0 .70 +0
586 -13	13,95 2,4	Greatermans Stores †3	.// +0
. 000 ;14	42 4.8	Huletts 2	.40 .50 ~0
519 -6	28.25. 4.7 3 13.95 2.4 42 4.8 40.5 7.7	McCarthy Rodway 0	.84 +0
1,840 -5	1 (3 4.1	NedRank 3	40 - 10
		OK Bazzara 18	50
1.020 —5 433.1 —1. 483.1 —3.	70.25 6.9	Premier Milling 6. Pretorie Cement 4	35 ~0
400.1-1.	9 12 2.8 9 7.5 1.6 4 12 8.6	Pretorie Cement	25 +0
483.1 —3. 140.2 —0.	4 7.5 1.6	Protes Holdings 1. Rand Mines Properties 2. Rembrandt Group 2. Retco 0. Sage Holdings 1.	72
500 A		Rand Mines Properties 2	40 +0
620	36.76 5.4	Rembrandt Group 4.	.13 +0
139 -1.	A 77 . TO 1	Retco 0	.39
250.5 + 1	0 10.5 4.2	Sage Holdings 1	90 +0
		JAFFI	30
55.6 +0.	3 5.7¦10.1	C. G. Smith Sugar 5. SA Brewenes ? Tiger Oats & Natl. Mig. 12 Unisec	20 +0
116.5°—3. 251 —4	3 . — J	SA Brewenes	42 +0
765 E	70.00	Tiger Oats & Nati. Min. 12	75 28 +0
746 —6 1,782 —7	15,98 2.1 58,75 2.1	Unisec1	28 +-0
1,782 —7 541 —14	59.8 7.4	Securities Rand U.S.	.\$0.671
1.040 -25	39,0 7.4		
549 -20		(Discount of 41.)	170
	·	l	
136 —3 208.5 —2. 76 —0.	3 2.2 5 10.15 4.8 5 7.5 9.9 7.5 2.3		
76		SPAIN. V.	
317 +1	7 7 6 6 7	February 2 Per ce	n E
407 - 6	17.55 4.2		
317 +1 407 -6 191.6 -3, 425 -10	4 17.25 4.2 4 6.3 1.5 27 6.3 30 5.6 9 9 6.2 7 14.55 9.9	Asiand 114	- 5
425 -10	5 27 C 2	Banco Bilbao 264	
518 12	36 23	Banco Central 285	+ 4
110.1 -2.	9 0 60	Banco - Exterior 254	+ 2
L-148 Z n	7 14.55 9.9	Danco Exterior 254	
1,922 _7	39 1.9		_
285.5 -9.	5 95 5 6 6	Banco Hispano 230	_
821 -2		18. ind. Cat. /1.000\ 161.	_
232 -3	15.15 6.5	B. Ind. Maditerranco 183	
11,50 -0.	e - 11 10 0.0	D. III. Woulferrance 195	
		Banco Madrid 210	主
- .		B. Santander (250) 291	
		B. Urquijo (1,000) 239	
	•	Banco Vizcayo 216	- 2
		Bonco Zaragozano 220	_
Price . + p			.+ 2
Cruz -	Cruz Yid.	Benkunion162	
	DIA" 2	Dragados	+ 1
0.90	50.12 18.55	Espenole Zinc 95 Fecse (1,000) 53	.—
1.51 +0.	13.0.12.16.55	Fecsa (1.000) 53	- 1
1.34 +0.	10.12 7.95	Gal. Preciados 40	
101 -	11:0.37 27.29		. –
- 505 - Tri	60.087.76	G. Velezquez (400) 165	
2.23 ;0.0 1.83 ⊦0.0	#:U.XUB.96	Hidrola 60	- 1.7
	40.13 7.14		g - 1,5i
6.05 -0.1	18.0.21 12.85 10.0.25,4.13	Petroliber 106	
1.15	AN 404 12	Petroisas	- 1
-120	-0.17 14.78	Sniace 40	-
<u></u>			
3.6m. Vojun	ne 54.3m.	'Sogofisa	

E	UROP	EAI	N OP	TIO	NS E	XC	HAN	GE
S	cries		pril Last	Vol.	uly Last	Vol.	t. Last	Stock
ABN	F.360	2	17			5	23	F.368
ABN	F.380	70	3.60	2	8,50	5	11,50	**
ABN	F.390	24	1.80					F.29,50
AKZ	F.25	. 5 20	5.40	10	6.10			
AKZ AKZ	F.27.50 F.30	45	1.70	19	2.80	-		<i></i>
AKZ	F.32.50	50	0.70	io	1.70	9	2.50	::
AKZ	F.35	14	0.40	27	0.80	1õ	1,60	
ARE	F.80			ĺ	2,40			F.77.80
CSF	F.380	5	13.90	4				F.370
CSF	F.400	_		7	13,40		=	
CSF	F.440	-			-	8	9,10	***
EK	460	1	4			•		56038
FNC	525			ı	1 59		_	N2534
GOB	F.140	5	9.30	5	12	-:	=	F.146,30
GOB	F,150	-	•	_	_	5	5,80	67
GOB	F,160			_		5	2,80	2
но	F.33.50	13	1,80	_			-	F.32
HO	F.35	4	1	-	1.20	~	_	
но	F.37.50		_	2 8	0.70	~		••
HO	F.40	5	15	۰	u, 70	_		\$3073 ₅
IBM	5300 8320	17	17	2	1514	~		_
MØI				_	•			· 11
KLM	F.110	133	3.80		6.30	. 5	8.20	F.102
KLM	F.120	74	. 1.10	73	3.10	12	4.80	' #
KLM	F.130	102	0.50	9	2	8	3,60	
KLM	F.170	.:		100	0.30	_	_	F.111.80
NN	F.120	12		-		-	_	F.23.70
PHI	F.22,50	80	1.80			~	_	r.23.10
PHI	F.35	65	. 0.60	151	. 1	10	1.50	: ,,
PHI	F,27,50	160	0.20		_	2	0,60	, i
PHI	F, 50	10	0.10	_	. –	~		••
PRD	•45	10	71 <u>s</u>		_	~	·	S50 ·
PRD	560	1	1		-	~		
PSĀ	F.440	٠.			_	2	19	:F.407
RD	F.120	46	8.30	_		16	9.70	F.125,10

3.50

Feb.

TOTAL VOLUME IN CONTRACTS

15% 7% 156

BASE LENDING RATES A.B.N. Bank 121% # Hill Samuel \$121%

Allied Irish Banks Ltd. 121%	C. Hoare & Co
Amro Bank 1210	Julian S. Hodge 131%
American Express Bk. 121%	Hongkong & Shanghai 121%
A P Bank Ltd 124%	Industrial Bk. of Scot. 121%
Henry Ansbacher 12100	Keyser Ullmann 121%
Associates Cap. Corp 12100	Knowsley & Co. Ltd 141%
Banco de Bilbao 121%	Lloyds Bank 121%
Bank of Credit & Croce, 121%	London Mercantile 121%
Bank of Cyprus 123%	Edward Manson & Co. 132%
Bank of N.S.W 121%	Midland Bank 124%
Banque Belge Ltd 121%	Samuel Montagu 121%
Banque du Rhone et de	Morgan Grenfell 121%
12 12mise S.A 13 %	National Westminster 121%
Barclays Bank 12100	Norwich General Trust 121%
Bremar Holdings Ltd. 131%	P. S. Refson & Co 121%
Brit. Bank of Mid. East 121%	Rossminster 121%
Brown Shipley 121%	Royal Bk. Canada Tst. 124%
Canada Perm't Trust 121%	Schlesinger Limited 121%
Cayzer Ltd. 121%	E. S. Schwab 131%
Cedar Holdings 121%	Security Trust Co. Ltd. 131%
■ Charterhouse Japhet 121%	Shenley Trust 14 %
Choulartons 131%	Standard Chartered 121%
C. E. Coates 121%	Trade Dev. Bank 121%
Consolidated Credits 121%	Trustee Savings Bank 121%
Co-operative Bank*121%	Twentieth Century Bk. 131%
Corinthian Securities 121%	United Bank of Kuwait 121%
Credit Lyonnais 121%	Whiteaway Laidlaw 13 %
Duncan Lawrie 121%	Williams & Glyn's 121%
The Cyprus Popular Bk. 121%	Yorkshire Bank 121%
79 75	
English Transcont 121%	Members of the Accepting Houses Committee.
First Nat. Fin. Corp 14 %	
First Nat. Secs. Ltd 14 %	deposits 101.%.
Anlony Gibbs 121%	
Greybound Guaranty 121%	and under. 10% up to £25,000
Grindlays Bank	103% and over £25,000 10%%.
■ Guinness Mahon 121%	t Call deposits over £1,000 10%.
Hambros Bank 121%	E Damand denouts 10%
- Manigree Denk 12130	A hallene erhanes loss .

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5761s

August

133

5 10

Copper surges to £1,000

BY JOHN EDWARDS, COMMODITIES EDITOR

than £1,000 a tonne on the peaks. London free market recent stock falls, a noticeable London Metal Exchange yester- day for the first time since June platinum gained £7.95 to a feature of the market was that record £203.15 an ounce.

metals, with platinum and silver the afternoon with the Metal

Copper cash wirebars closed £48 up at £993 a tonne, and the three months quotation £44.5 gold reflecting nervousness higher at £1,001.5. In late kerb about oil prices and supplies trading, however, prices tell and the consequent effect on the sharply when the New York U.S. dollar. As expected copper

While many speculators were reducing total holdings to taking profits in copper through out the day, prices of platinum

COPPER TRADED at more and silver rose steeply to new fairly modest compared with tonnes.

The bullion spot quotation for The astonishing rise in the silver was 22.1p up at 356.2p an market continued, encouraged ounce at the morning fixing and by sharp rises in precious values moved further ahead in prices jumping to new all-time Exchange silver cash price closing at 359p.

The surge of buying demand was attributed to the rise in copper market came back with speculators reportedly switching Exchange warehouses fell once again; this time by 5,475 tonnes

the gap between cash and three Bonths quotations shrank to £9

at the close, and £6 at one stage. The market ignored a report from Tokyo that the Japan's Metallic Stockpiling Association was studying the possible re-lease of some 21,500 tonnes of copper later this month to domestic users because of the

sharp rise in world prices. Zinc prices on the Exchange climbed to the highest level for nearly two years, with the three months quotation trading above £400 a tonne for the first time since March 1977. The cash closed £16 higher at £394.5 a tonne, encouraged by a fall in warehouse stocks, down Although this decline was by 1,800 to a total of 66,625

A modest fall of 375 to 14,850 tonnes in warehouse stocks of lead was viewed as somewhat disappointing and the market lost ground with cash lead closing £4 lower at £551 a tonne. However NL Industries in the U.S. announced it was raising its domestic lead price by 2 cents to 44 cents a lb.

Tin stocks rose again, by 175 to 1.790 tonnes. But prices were buoyed up by a rise in the Penang market over the week-

end.
The build-up in aluminium stocks slowed down with a rise of only 100 tonnes to a total of 12,875 tonnes. LME silver holdings fell by 590,000 to 20,910,000

Feature on Page 16

Further cocoa price fall predicted

By Richard Mooney

A FURTHER decline in world cocoa prices was forecast yesterday by London traders Paterson, Simons and Ewart. The firm, in its latest market

report, said that while manufacturers appeared well supplied Ghana and Nigeria, two of the main producers, had plenty of cocoa to sell. It also noted that a large Brazilian main crop was in prospect and an "excellent" temparao crop had been fore-

In addition, the company thought the switch by manufacturers to cocoa substitutes in response to recent very high prices might have reduced basic demand for cocoa beans.

Against these "bearish" factors the report said continuing shipment delays from Ghana and the weakness of the dollar and sterling against other European currencies were steadying

But the firm's overall view was nevertheless "bearish."
"We do not believe that the downward movement of the past two months has yet fully run its course and it is difficult to see what is to prevent the pre-sent hear structure of the market continuing through the halance of the current season,"

On the London futures market meanwhile cocoa prices recovered somewhat in what most dealers saw as a reaction against the recent decline.

Fertiliser aid for third world

FINANCIAL TIMES REPORTER

The scheme would make fertiliser available to develop-ing countries at prices they

It would help to safeguard their food production if fertiliser prices were to soar again as they did during 1974-75.

Technical details have still to he worked out.
M. Edouard Saouma, FAO director-general, has already received commitments in principle from fertiliser manu-

facturers to supply nearly 500,000 tons of fertilisers.

Under the proposal, the manufacturers would make the fertilisers available for five years at the same price paid by

their domestic customers.

The scheme would operate when prices in international trade rose above domestic prices in manufacturing countries—a situation that prevails only when prices are unusually high. An industry representative at the Commission meeting stressed the scheme would provide only "a second line of defence" because the quantities provided would only partially cover import needs of the

poorest countries.

poor countries against high for creating such a scheme now, during the current period of reasonable prices. The Commission of the UN (FAO), has received the support of an received the support of an PAO Commission and the intersation and the World Bank which predicted that fertiliser supplies would remain adequate

for the next five years.

While fertiliser prices now compare favourably with those of the early 70s, the joint assessment said that "fertiliser prices can be expected to rise over the longer term to those levels required to induce new investments in fertiliser produc-

Much of the new construction and extension facilities.

Commission stressed the need of fertiliser plants will take place in developing countries, where capacity to make nitrogen fertilisers will double between now and 1983. By then developing countries will be able to produce one-fifth of the world's nitrogen and phosphate fertilisers, but will still require large imports, especially of

> The assessment estimated that fertiliser consumption in developing countries could double over the next 10 years. Despite this rapid increase, the rate of fertiliser use in these countries remains low by Wes tern standards, restricted by inadequate credit, marketing

Pakistan buys cotton to fill export orders

BY CHRIS SHERWELL IN ISLAMABAD

LATEST ESTIMATES of Paki- might then be met. stan's cotton crop put output so low that no exports of staple cotton will be possible this year. Export commitments are being filled through purchases on the world market.

When Pakistan announced its recorded in 1976-77, and far controversial temporary ban on below the original projection exports in December, it had been hoped that once the crop was in some of the export already settled its commitments of 250,000 hales with Martan has Government and industry was in some of the export delegates to the FAO Fertiliser commitments of 250,000 bales

But an assessment made last week on the basis of ginners' figures puts this season's output at between 2.4m and 2.5m bales. This is close to the disastrous level of 2.4m bales

with Western buyers.

angers UK farmers

REPORTS of an international deal which would allow U.S. imports of turkey to undercut home producers in the British market roused a chorus of protest at the annual conference of the British Turkey Federation in Eastbourne yesterday.

Twiddle. Raymond federation chairman, said farmers were "outraged" that the future development of their industry was threatened.

He said he had heard from reliable sources" in Europe that with the blessing of the British Government, the European Community was preparing to open the UK turkey market to the Americans.

The turkey industry had been built up here without the benefit of Government or EEC grants. Now it would have to compete with cheap imports brought in free of EEC taxes

Other delegates at the meeting claimed the deal was part of a bargain struck at EEC level to allow French wine and brandy shippers to increase their sales in the U.S.

White Paper this week

THE REVISED version of the Government's agricultural policy White Paper, Food from our own Resources, is to be published on Thursday after-noon, the Ministry of Agriculture announced yesterday.

The original policy paper, published in 1975, was thrown hopelessly out of balance by the drought of 1976.

China to raise farm imports

HOUSTON — China's Vice-Premier Deng Xiaoping (Teng Hsiao-Ping) predicted that Chinese imports of agricultural products will increase over the next three to five years.

Deng told newspaper editors here the main item would be food grains, but he did not give

any figures
The most recent U.S. Agricultural Department estimates put China's imports of wheat and coarse grains at 13m tonnes in the 1978-79 marketing year, up from 8.7m tonnes in 1977-78.

Turkey deal | DANISH DAIRY INDUSTRY

NZ blamed for butter market disruption

BY CHRISTOPHER PARKES

butter market last year cost Danish exporters between £40 Jens Majgaard, chairman of shares of up to 47 per cent."

Butterdane, said in Copenhagen
at the weekend.

Last year, Mr. Majgaard said
New Zealand's monthly shar

The price in Britain, depressed ing, was a much as £180 a tonne lower during 1978 than the price Butterdane could have got for its supplies from the Danish intervention board, he

Blame for much of the disrup-tion lay with the New Zea-landers, he claimed.

According to the 1975 "Dublin Agreement" between the Nine's heads of state (the agreement concluded British "renegotia-tion" of EEC membership terms) which set quotas for New Zealand until 1980, Britain's traditional Commonwealth supplier was allowed to send sub-stantial quantities of butter to the UK on condition that the shipments did not "disrupt" the market.

For some time EEC policies

DISRUPTION of the British advantages," Mr. Majgaard said, monly given plenty of warning and £180 a tonne in losses, Mr. to give New Zealand market

Last year. Mr. Majgaard said. New Zealand's monthly share of butter sales have averaged by highly competitive market- 34 per cent and rose as high as

Because of this the Community needs to adopt an en-tirely different attitude to NZ supplies when the current agreement runs out.

After 1980, he said, New Zealand should be forced to compete on equal terms with the Community suppliers. Now it enjoyed "preferential" status. "It would be wrong for us to set quotas for 1984 at the beginning of 1979," he added.

For the future he wanted to see quotas set yearly at the time of the Community's annual price review. Import levies should be set monthly, he argued, to prevent recurrence of the disruptions of the past 12

New Zealand maintains heavy stocks of butter in bonded warehave worked against the in-terests of EEC members in favour of a third country. While we recognise New Zealand's rises and import levy changes special position with regard to on its competitiveness, the UK, we believe they should Under existing arrangements no longer be allowed unfair the New Zealanders are com-

"Surely it was never the in- of any changes and can release tention of the Dublin Agreement stocks from bond in advance of the adjustments, thus maintaining a low-price advantage in the event of levy rises which would normally lead to a sudden increase in prices.

Mr. Najgaard urged the British Government to take up the FEC Commission's new consumer subsidy on butter, put forward as part of this year's farm price review.

He said that since a similar subsidy was taken up in Den-mark last year, annual sales of butter had increased 7 per cent. The same could happen in the UK, he claimed.

He admitted that the suggestion that the UK Treasury should pay 25 per cent of the proposed subsidy of 12p a pound was a "tremendous problem." But, he added, since so many other elements in the price review proposals accommodated British demands, it would be "almost churlish" for the Government to reject the sub-

sidy scheme. Consumer subsidies could halt the fall in butter consumption in Britain and if maintained for two or three years could have a marked effect. He fereeast that butter sales here could recover in only one year

Sharp herd decline forecast

BY HILARY BARNES IN COPENHAGEN

A SHARP decline in the size of the Danish dairy herd between now and 1990 is forecast in a coming report from the Danish College of Agriculture.

For Danish farmers the report places the EEC Commission's proposal for a progressive milk tax in a new relief. The tax, according to the Danish Agricultural Council, will cost dairy farmers some Kr 900m a year.

The farmers accept the necessity for price restraint for dairy products, but they are opposed to the variable tax formula pro-posed by Mr. Finn Olav Gundelach, Agriculture Commissioner. They fear the tax will be unpredictable and will undermine farmers' confidence in the

The Danish farmers are also most pessimistic forecast and changed, but reduce Danish MCAs, giving German exports a price advantage over Danish

Denmark is the only country in the EEC to have maintained equal exchange rates for the green currency" ordinary currency.

The preliminary report of the Agricultural College predicts that the dairy herd will decline gradually from 1.15m head in of agricultural holdings and the 1978 to 1.01m in 1984. But agricultural labour force. The between 1984 and 1990, says the

strongly critical of the Commis- the final report, which will probsion's proposals on compen-satory amounts. These will months, is expected to contain leave the German MCAs un-a rather more optimistic alternative forecast for 1990.

A continued increase in milk yields means that the decline in milk production will be less than the decline in the herd. Mill: production will fall from 5.13bn kilos in 1978 to 4.97bn in 1984 and 3.62bn in 1990, according to the preliminary report.

Among the factors affecting expected decline in the number number of holdings will fall report, the herd will fall to from 125,000 in 1978 to 102,000 680,000. This however is the in 1984 and 88,000 in 1990.

BRITISH COMMODITY MARKETS

BASE METALS COPPER Hectic on the London Metal Schange as prices fluctuated sharply at high levels in a continuation of the recent strong market. Forward metal climbed from £593 at the start to over \$1,000 but spent much of the day oscillating between £982 and £1,000. Much of the afternoon business was at the higher end of this range with Comex romaining limit-up. Most of the trade was thought to be of a speculative nature, with some spin-off from the bullion market. But the strength of the price suggested that some of the trade may have been short. The close on the kerb was £394 but as Comex cams of its limit, the London price descended sharply after hours. Turnover 44,075 torness.

COPPER Official - U 2 3 Cathodes (Laboles (La Cathodes | 959-71 +87.5 2 months | 977-8 +50.3 Scitt'm.nt | 971 +58

Amaigamated Metal Trating reported that in the morning three months wrist bars traded at £1,000, \$87, \$8, \$7.5, \$7, \$8, \$9, 1,000, 1,001, 1,003, 1,001, \$98, \$8, \$7, \$6, \$5, £2, £2, £3, \$8, \$8, \$8, \$7, \$8, \$9, \$8, \$7, \$9, \$9, \$8, \$7, \$9, \$8, \$7, \$9, \$8, \$9, \$1,000, 1,001, 1,002, \$8, \$1,000, 1,001, 1,002, \$8, \$1,000, 1,001, 1,002, \$1,000, \$1,001, \$1,000, \$1,000, \$1,001, \$1,000, \$1,

ce descended mover 44,075	night and London moved from £7 for forward metal to £7,280 be								
p.m. + or nofikted -	TIN	e.m. Official	+ or	p.m. Unofficial	<u>+</u> "				
<u> </u>	High Gra	de £	£	3 P	£				
) -	Cash	7310-20	1 270	7183-95	+47.6				
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CONTRACTS AND TENDERS

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In respect of both actions delivery to the EEC port shall be within a period of at least 15 days selected by the tenderer. this period beginning no earlier than 15 days after the latest date is specified below for the submission of tenders. The price for the supply and transportation costs of the soft wheat and sorghum will be determined on examination of the tenders which must be submitted by 12 noon on 15th February 1979 to:— Home Grown Cereals Authority

Notices of Invitation to Tender in respect of Food Aid Actions Nos. 56 and 57 respectively may be obtained, together with Tendering Forms from Branch B (Cercals). Internal Market

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ich Grad	7210_90	£ +85	£ 7260-80 7183-95	£ +100	
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					17

One month Gold 246.70-248.40

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to an EEC port of: (a) 7,500 tonnes soft wheat destined for Mozambique Action No. 57).

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Sept 1800.0-35.0 +21.0 1805.0-1750

Dec 1841.0-42.5 +13.55 1845.0-15.0

Mar.b 1865.0-75.0 +15.50 1858.8-45.0

May 1880.0-33.0 +18.50

rom an 520. Bu he price	rading forward metal advance norming start of £507-£509 It this level did not hold ar slipped back to £490 beto n the Kerb at £496. Turnov	to for Feb. 2 150.34 re price for Feb. 5:
LRAD .	s.m. H or p.m. H	
months	559 ¦+6	but trade selling to produce a well

Morning: Cesh £560, 57, 55, 59, 60, 58, 57. Three months £520, 19, 18, 17, 16.5. Kerb: Three months £512, 13, 14. Afternoon: Cash £533, three months £515, 13, 12, 11, 10, 509. Kerb: Three months £508, 9, 6, 4, 2, 500, 2, 3, 4, 2, 500, 498, 97, 86, 95.

ALUMINIUM—Firmer in line with the trend in copper. Forward metal started at 5900 and touched £700 at one stage, but there was heavy selling between 5986 and £700. The close on the Kerb was £698. Turnover 3,025 tonnes.

Alumin'm Spot........ 699-700 +21.2 685-82 +16.5 months. 699-700 +18.7 696-7 +18.5

Morning: Cesh £897, 701, three months £837, 99, 99.5, 700, 698, 98.5, 700. Afternoon: Three months £632, 97.5, 88, 97, 97.5, 97, Kerb: Three months £696. * Cenus per pound. ‡5M per picul. † On previous unofficial close.

Silver was fixed sharply higher in the London bullion market yesterday at 356.2p, a rise of 22.1p an ounce. U.S. equivalents of the fixing levels were: Spot 707.8c, up 46.3c; three-month 722.6c, up 47.5c; six-month 737.0c, up 49.6c; and 12-month 762.6c, up 51.c. The metal opened at 3427-3432p (681-6874-0) and mise attendity in close at SiLVER Builion + or L.M.E. close troy oz. price

3967-3577-30 (709-711c). (265) lots of 10,000 cze. Moralng: Three months 367, 9.8, 9.3, 5.8, 5.7, 5.5, 5.5, Kerbs: Three months 363.3, 4.7, 4.8, 65, 4.8, 4.8, 65, 67, 6.8, 67, 7.1, 7.2, 7.3, 8.5, 8.8, 69, 9.5, Kerbs: Three months 369.5, 8.5, 8.3, 7.5, 7.3, 67, 7.3.

House short covering steaded cocoa futures during late dealings to close 525 higher than Friday's levels, reported Gill and Duffus. Yesterday's + or Business Llose Done

Sales: ?-?-?-?-?- lots of 10 tonnes. ional Cocoe Organisation ios per pound): Daily price 2 150.34 (150.81). Indicator Feb. 5: 15-day average 158.63 22-day average 163.56

A coffee futures opened 55-as Commission House buying the recent bullish trend, rexel Burnham Lambert. The was once again disappointing selling pared geins slightly a well overdue £10 retrace-les finished £4 down to £5 riday's close. Yesterday's + or | Business

March ... 1459-1460 +1.5 1470-1456
May ... 1335-1354 +2.6 1348-1350
July ... 1270-1271 +8.0 1283-1289
Soptember 1208-1209 +1.5 1223-1219
November ... 1167-1168 +2.0 1179-1179
January ... 1139-1140 -3.0 1150-1188
March ... 1110-1115 -4.0 1120-1109 Sales: 4,372 lots of 10 tonnes.
ICO indicator prices for Feb. 2
(U.S. cents per pound): Colombian
Mild Arabicas 149,50 (148,00), unwashed Arabicas 131,00 (seme); other
Mild Arabicas 120 00 (124,67); Robusta
ICA 1976 133,00 (133,50); Robustas ICA
1958 133,50 (134,00). Daily average
130,42 (130,58).

GRAINS

LONDON FUTURES (GAFTA)—Grains opened 10p lower on old crops unchanged on new. Wheat values are very thin volume eased on commercial salling to close 30-40p lower on the day. Barley saw some buying interest trading conditions to close 20-30p lower. Very little interest was shown in new crops and values closed 10-20p lower. Very little interest was shown in new crops and values closed 10-20p lower on the day. ACLI reported.

BARLEY M'nth Yesterday's + or Yesterday's + or close - close . -Mar... 92.85 -0.40 87.05 -0.30 May... 95.90 -0.31 89.65 -0.20 sept. 89.95 -0.20 85.96 -0.20 87.00 -0.15

remain unchanged.

HGCA—Regional and UK average exterm spot prices for week ending Thursday, February 1. Other Milling Wheat: East \$1.80; E. Midlands 90.90; W. Midlands \$2.10; N.E. 94.50; U.K. 91.80. Feed Barley; S.E. 83.30; S.W. 84.50; East 84.10; E. Midlands 83.90; W. Midlands 84.10; N.E. 83.90; N.W. 83.50; Scatland 83.90, U.K. 63.90; N.W. 83.50; Scatland 83.90, U.K. 63.90; U.K. forward prices for delivery during; April. M. Wheat (bread) 96.10, M. Wheat (other) 94.50, Feed Wheat 92.40, Malting Barley 91.70, Feed Wheat 94.40%; Malting Barley 99.10, Feed Barley 89.10, IMPORTED—Wheat CWRS No. 1 132.

South African Yellow second half Feb., first half March 73 Glasgow. Barley: English feed f.o.b. Feb. 90.50, March 91.00. April/June 92.75-93.50, East Coast selters.

MARK LANE—The market was quiet and predominantly inactive. Consumers were unwilling to follow increased pricas. Milling wheat delivered London: March 296.000, April/May/June 2100.50. Denaturable quality wheat held East Anglis: March 294.50, April/May/June 298.00. Barley delivered East Anglia March 294.50.

SOVAREAN MEAT

SUIA	DEAN	17.1	EAL
	Yesterday Close	+ ×	Business Done
	£pertonne		
Pebruary April June	128.40-28.5	+ 3.15	155.00-51.00 129.70-28.58 150.00-25.50
August Octal er	130.00-30.7 128.80-28.8	+3.94 +3.20	180.20-80.00 728.00-27.00
December February	124.50-27.8 125.00-28.5	+0.65	127,50

Sales; 233 (100) lots of 100 tonnes. RUBBER ABOUT UNCHANGED opening on the London physical market. Good terminal interest, closing quietly steady. Lawis and Peat reported the Malaysian godown price was 242 (241) cants a kilo (buyer, February).

No. 1 Yesterday's Previous Business
B.S.S. Close Close Done March... 61.70-82.00 61.85-61.25 81.70-80.00 April ..., 61.90-82.20 61.80-61.40 April ..., 61.90-82.20 61.80-61.40 April ..., 61.90-82.00 82.70-61.85 Jy-Sept. 54.30-84.98 85.85-85.70 64.50-68.40 Oct. Dec. 56.30-68.25 65.60-85.50 98.36-85.40 Jan. Mar 68.15-68.20 87.50-87.55 98.20-67.00 Apr. Jpc. 70.10-71.65 88.50-68.55 78.20-77.05 Jy-Sept., 72.05-72.15 71.40-71.45 72.10 Oct. Dec. 74.15-74.20 74.65-75.50 74.15-75.40 Sales: 16 (19) lots of 5 tonnes; 526 (530) lots of 15 tonnes.
Physical closing prices (buyers) were: Spot 80p (59.5); March 59.75p (same); April 60.5p (60.25).

SUGAR LONDON DAILY PRICES (raw sugar):

28.00 (197.00) a tonne cit for Jan.-Feb.
shipment. White sugar daily price was
fixed at £86.50 (£86.00).

The market first traded some 50
points below pra-weekend levels but
recovered following good buying from
one quarter below proces again fell
back, reported C. Czernikow. Later,
however, renewed Commission House
buying daveloped following general
strength in hard commodities and
preclous motals and the market closed
at the high points. The prompt position
did not follow the rally so that March
closed around £5.00 below May having
recently been at only £3.00 discount.

PRICE CHANGES

Feb. 5 + or Month 1979 — ago Metals Aluminium£710

int (Phil)...., \$1,025r |+ 15.0 \$956

NEW ZEALAND CHUSSBREDS—Closs (in order, buyer, seller). March 180 0 184.0: May 184,0-187.0; July 184. 188.0: Oct. 187.0-190.0; Dec. 190.0-194.0; March 191.0-195.0; May 193.0-199.0, July 193,0-198.0. Sales nil. **MEAT/VEGETABLES**

Price in tones unless otherwise

| Mo. 1 Red Spring | 197.25 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 | 198.2 |

375 4, 375.0-375.0, 2; May 376.5, 378.5, 377.0-377.0, 4; July 379.0, 381.0, 379.5-379.0, 9, Sales: 80, LONDON GREASY—Close (in order buyer, seller), March 214.0-220.0; May 217.0-224.0; July 217.0-225.0, Oct. 330.0-228.0; Dec. 231.0-240.0; March 224-0-244.0; May 235.0-224.0; July 236.0-247.0, Sales nii.

NEW ZEALAND CROSSBREDS—Close (in order, buyer, seller). March 180.0-

AMERICAN MARKETS

NEW YORK, Fob. 5.

Cocoa—March 149.75 (147.00), May 151.75 (149.45), July 153.95, Sopt. 151.75 (149.45), July 153.95, Sopt. 161.80 Sales: 630.

Coffee—"C " Contract: March 127.75 (128.75), May 124.70-124.75 (128.14), July 124.25-124.40, Sept. 123.75-124.00, July 124.75-124.00, July 125.20, July 125.20, July 125.20, July 125.20, July 125.20, Sept. 127.20, July 129.30-191.20, July 191.20 July 191

(671.00). CHICAGO, Feb. 5.
Lard—Chicago loose 24.00 (24.25).
New York prime steam 25.50 nom.
(25.75 traded). #Maize—March 2351—2351 (2341).
May 2441—2441 (243). July 2491—2491.
Seot. 252-2514, Dec. 2551-2551; March 263 263
Plywood—March 217.3-216.6 (216.5).
May 217.7-217.8 (217.0). July 218.0.
217.8, Sept. 215.9, Nov. 211.8, Jan.
211.0. March 212.0.
Shell Eggs—Feb. 58,10-56.15. March
55.75 asked, April 52.05. May 43.80,
Sept. 58.00. Sales: 130
Silver—Feb. 716.0-717.0 (698.0).
March 713.5 bid (693.5). April 718.5718.5 bid, June 726.2 hid, April 718.5718.5 bid, June 726.2 hid 718.5718.5 bid, June 726.2 hid, April 718.5718.5 bid, June 726.2 hid 718.5718.

Occ. 104.00.

50ats—March 86.50 (85.00 bid), May 84.20 (83.60), July 83.10 asked, Oct. 83.50 asked, Dec. 83.60.

58artey—March 78.40 (77.70), May 79.60-79.70 (78.70), July 81.60 asked, Oct. 84.80 asked, Dec. 84.70 bid. Flaxseed—May 342.20 bid (338.00 bid), July 336.90 bid (332.70), Oct. 334.50 asked, Nov. 330.00 asked, Dec. 337.50 asked, Dec. 337.50 asked

EUROPEAN MARKETS

ROTTERDAM—Feb. 5.

U.S. No. 2 Dark Hard Winter wheat 13 5 per cent. Mch. \$157 U.S. Hard Winter wheat ordinary Mch./Apl. \$158.

U.S. No. 2 Red Winter wheat Mch. \$100 Nay. June June July July/
U.S. No. 2 Red Winter wheat Mch. \$161. Apl. \$153. May \$152. U.S. No. 2 Northern Spring wheat 14 per cont. Feb. \$169. Mch. \$165. Apl. May \$144.50 MAIZE.—U.S. No. 3 Corn Yellow Apl./ \$120, Feb. \$118.50, Mch. \$117.50, Apl./ \$120, Feb. \$118.50, Mch. \$117.50, Apl./ \$120, Feb. \$118.75, Jly./Sep. \$116.75, Oct./ \$120. Feb. \$118.50, Mch. \$117.50, Apl./ \$120. Feb. \$118.75, Jly./Sep. \$116.75, Oct./ \$120. Feb. \$117 PARIS, Feb. 5.

\$107.

Soyabeans U.S. 2 Yellow Gullport:—
Allegs \$288, Feb. \$290.75, Mch. \$232.25,
Apr. \$295.75 May \$296, June July Aug.
\$298, Sept. \$297.75, Oct. \$279.50, Mov.
\$277.50, Dec. \$281.25, Jan. \$284.75,
sellers, U.S./Brazil—unquoted, Lake—

FINANCIAL TIMES. Feb. 2 Feb. 1 M'nth ago, Ycar ago 265.23 362.25 269.09 227.56 (Base: July 1, 1952=100)

INDICES

MOODY'S Feb. 2 | Feb.1 |M'nth ago Year ago 1018.5 1011.4 977.2 896.6 (December 31, 1931 = 100)

MEAT COMMISSION - Average lat-Stock prices at representative markets on February 5. G.B. cattle 72.20p per kg I.w. (-0.95). U.K. sheep 145.0p per kq est.d.c.w. (+4.6). G.B. pigs per kg est.d.c.w. (+4.6), G.B. pigs 60.4p per kg l.w. (-1.5). England and Wales. Cattle numbers up 25.6 per cent, average price 72.50p (-1.18). Sheep numbers up 19.5 per cent, average price 144.5p (+3.4). Pig numbers up 2.7 per cent, average price 60.3p (-1.6). Scotland: Cattle numbers up 17.6 per cent, average price 69.83p (-0.44). Sheep numbers down 8.3 per cent, average price 145.9p

DOW JONES Spot ... 376.40 375.14 384.06 548.56 F'tur's 570.41 569.18, (Average 1924-25-26=100) REUTERS Feb. 5 Feb. 2 Minth ago Year ago 1530.7 1615.6 1491.8 1399.8

(Base: September 18, 1921 = 100)

cull 1. Accumulative total 69.—March Sugar (FF) per 109 Milos)—March 846-849. May 878-879. July 992-800, Aug. 900-929. Oct. 953-955, Nav. 940-950. Dec. 970-980. March 1000-1020, Sales at call nit.

Equities heed Gilt weakness and turn distinctly easier but Mining issues respond to soaring commodity prices

Account Dealing Dates

Dealings tions Dealings Day Jan. 15 Jan. 25 Jan. 26 Feb. 6 Jan. 29 Feb. 8 Feb. 9 Feb. 20 Feb: 12 Feb. 22 Feb. 23 Mar. 6 "" New time" dealings may take place from 9.30 am two business days

Heeding the international and domestic events which they had surprisingly tended to disregard in recent weeks, the equity sections in stock markets yesterday turned distinctly easier. The market in Gitt-edged securies, meanwhile, took its falling trend on inflationary and interest rate Further cloomy economic foreat BL Cars, and the larger-than-

xpected first-quarter cutback in British Petroleum's crude oil supplies added to current nervousness over the Jabour crisis and resulted in a down-ward adjustment in leading in-

For a while, the general price vel held at slightly lower values but the tendency quickly wilted when recent buyers of secondary issues decided there were profits to be taken and changed to the selling tack. The leaders picked up the weaker trend almost immediately and, although overall selling pressure was described as relatively light. double-figure falls began to

appear.
The FT Industrial Ordinary share index was showing a fall of 8.1 at 1 p.m., but occasional bear-closing just before and after the official close of business reduced price falls and the index ended a net 6.6 down at 460.7, its lowest closing level since July 7 of last year. Business creased and official markings, at 5,086, were the highest for a

Fresh selling was induced of Gilt-edged securities, particu-larly of longer-dated stocks which, after staging a modest the day on disappointment with the January Wholesale Prices indices. Final losses in the area extended to 1 as in Treasury 141 per cent 1994, at 1001. The shorted maturities were less vulnerable and fluctuated narrowly before ending just a shade

Mining issues responded sharply to the boom in commodity prices. South African Gold shares rose 11 points and occasionally more in the wake of the soaring bullion price— up \$13\ at \$244\ —while precious and base-metal producers enjoyed continued firmness with Platinums again notable. The investment currency pre-

Option busy two-way trading on sterling the general dull trend with
*First Declara- Last Account considerations to close a net 2. Marks and Spencer closing 3
lealings tions Dealings Does down at 242 new considerations. down at 941 per cent. Yester-day's SE conversion factor was 0.6704 (0.6688).

Reflecting a surge in the gold builton price, Consolidated Gold-fields attracted a good traded option business and recorded 236 contracts out of the overall total

Banks down

Talk that the major clearing banks will soon raise their base rates unsettled the big four which proceeded to drift lower on small selling and lack of support. Lloyds lost 8 to 285p, while Barclays ended a similar amount easier at 375p. Still reflecting the disappointing interim statement, Guinness Peat gave up 5 more to 110p. Dearer money fears brought easier conditions to Hire

Insurances were again featured by rewened weakness in Christopher Moran, which fell 6 for the second day running to a 1978-79 low of 39p. Dull spots in Composite included Sun Alliance, which fell 12 to 496p.

After a dull opening, Brewery and kindred issues met a little support and held steady at slightly lower levels. Bellhaven added a penny to 42p following the emergence of buyers. In Distilleries, Arthur Bell were particularly dull at 174p, down S.

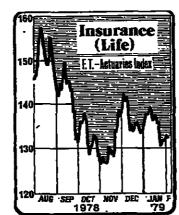
Building descriptions drifted

lower from the outset. Blue relinquished 6 at 260p and Tunnel "B" finished 8 down at 292p. In Constructions, Costain issues came on offer, the ordinary and deferred shed 6 apiece to 160p and 120p respectively. On suggestions that the company's Iranian losses might he less severe than expected. George Wimpey hardened a penny to 73 p. Vibroplant firmed 4 to 217p in response to the higher interim profits, and, reflecting Press comment, Manders touched 114p before settling 3 up on balance at 109p. The absence of an increased offer from Norcros prompted profittaking in Johnson-Richard Tiles which ran back 6 to 132p but Brown and Jackson, in a thin market, added 5 to 275p, after

residiance to the dull trend, and, after a reasonable trade closed 2 cheaper at 353p. By contrast, turnover in Flsons remained small with the close 5 easier

down at 84p. Elsewhere, profit-taking after the recent good rise ahead of next Tuesday's interim results left MFI Furniture 7 cheaper at 200p. Cautious Press comment climed a penny from Bolton Textile at 21p and Excalibur Jewellery softened a fraction to 181p in reaction to the lower first-half earnings. Wilkinson Warburton, on the other hand, firmed 4 to 98p following renewed demand in a

Electricals took a distinct turn for the worse, with many of the recent high-fliers recording fairly substantial losses. Racal dipped 12 to 342p, while other Electronic



included Farnell, 410p. Ferranti, 363p, and Eletrocomponents, 330p. Unitech, a good market of late, ran back 3 to 178p, awaiting today's interim results. GEC were unsettled by the proposed cut back in Iranian defence spending and eased to 318p initially before closing 2 cheaper on helphon at 322p. on balance at 322p.

Sporadic selling of the Engin-eering leaders found the market particularly dull and reacted to 200p before rallying to settle at 204p for a fall of 10. Losses of 6 were marked against, John Brown, 386p, and Tubes, 354p, while GKN eased 5 to 238p. Else where Baker Perkins, a good market of late on bid hopes, shed 4 to 162p, but favourable Press mention left Acrow, 106p, and Adwest, 290p, up 2 apiece. Mining Supplies improved 5 to 131p awaiting tomorrow's interim figures. In contrast, Whessoe, the subject of recent favourable comment, reacted 4 to 97p.

Among Foods, Tate and Lyle eased 4 to 142p, but Spillers im-proved a penny to 35p on Press comment highlighting bid possi-

Leading Stores succumbed to bilities. Grain merchants Sidney 248p and the new nil paid 5 to while Randfontein were a point C. Banks attracted buyers, and. 30p premium. in a limited market, put on 5 to

> A good market since last Thursday's annual results, Trust Houses Forte met profit-taking and eased 5 to 263p, after 260p. Ladbroke gave back nearly all of Friday's late rise of 6 at 174p.

ICL react Miscellaneous

leaders started the week with price falls to 5. Glaxo lost that much to 475p, after 473p, while Pilkington declined a similar amount to 285p and Beecham softened 3 to 612p, after 60Sp. In secondary issues, stocks which have performed particularly well of late fell away sharply on profit-taking. ICI, for example, lost 20 to 442p and Sotheby's relinquished 15 at 372p. Marshalls Universal fell 8 to 140p and De La Rue, 353p, and May-nards, 135p, dipped 7 apiece. Alpine Holdings, up 17½ last week, reacted 5 to 95p. Stormgard, however, saw buying in a thin market and closed 5 to the good at 12p, while Tebbitt were also wanted at 12p, up 1½. Poly-mark gained 2½ to 54½ in response to Press comment, while M.Y. Dart put on 3 to 55p

Motor Components generally closed lower following the threat of a major stoppage at British Leyland. Lucas slipped 7 to 270p, and Dowty, following Friday's rise of 9, lost 6 to 263p; Dowty's interim results are expected tomorrow. Supra touched 55p before ending a net penny better at 54p on favourable Press comment. Elsewhere, conditions were dull although the level of business was negligable. British Car Auctions, a firm market of late, eased 4 to 644p. Rolls-Royce finished a couple of pence lower at 95p as support diminished following the cutback in Iranian defence orders.

Following the rejection Wereldhave's latest 46p per share cash bid, dealings resumed in English Property at 47p., and, after a brisk two-way trade, the price settled at that level comof 44p. Other leading Properties encountered a little profit-taking, but losses were usually confined to a few pence. The possibility of higher interest rates failed to deter buyers of selected secondary issues where Mountview Estates, 110p, and Evans of Leeds, 99p, both gained 4. Warner Estates rose 8 to 158p and Property Partnerships 5 to 120p. In contrast, recently firm

BP BP BP Com Unior Cons Gold Cons Gold Courtailds GOLT GEC GEC

BOC Inti-Boots Boots EMI EMI RTZ RTZ RTZ Totals

F.P. 16/2

Oil shares moved against the general trend. Among the leaders, a rise of 10 to 936p in British Petroleum mainly reflected Wall Street advices. Shell traded quietly, but eventually edged up to close a few pence dearer at 590p. Elsawhere pence dearer at 590p. Elsewhere. weekend Press comment on the Industrial full report enlivened interest in Lasmo which advanced to 15Sp before closing at 152p for a gain of S; the OPS rose 15 to 395p, while Cawoods firmed 7 to 150p

Advance in Mines

The continuing boom in basemetal prices and a burst of strength in precious metal prices enabled mining issues to stage a broad advance.

A weakening in the dollar pushed the gold price up \$13.25 to \$244.625 per ounce and prompted a heavy demand for South African gold shares.

Prices opened on a firm note and thereafter staged a rapid advance fuelled by persistent and heavy American buying. The Gold Mines index climbed 9.5 to 181.4 its highest point since mid-September last year, while the ex-premium index put on 6.6 to 121.6.

Gains in the heavyweights rauged up to £1; as in Vaal Reefs, £17, and West Driefontein, £24;

In the medium-priced issues rises of between 30 and 45 were common to Doormontein, 323p, Kloof, at a 1978-79 high of 686p, Libanon, 578p and Southvaal, 543p. Among the marginals 543p. Among the marginals South African Land advanced 54

to 80 p.
A sharp rise in the free market platinum price encouraged a good demand for Rustenburg, 10 better at a 1078-79 high of 154p. Lydenburg 8 firmer at 100p and Impala, a like amount up at 226p. The boom in base-metal prices. particularly copper, which pene-trated the £1,000 a tonne level

for the first time since mid-1974. led to further widespread gains among base-metal producers. Despite a sharp decline in UK equities Rio Tinto-Zinc rose 6 more to a 1978-79 high of 284p, while Gold Fields added 4 to 204p

and Selection Trust 8 to 504p.
Overseas copper producers
showed Roan Consolidated
another 10 up at a high of 110p. Messina 7 better at 104p and Palabora 30 firmer at 600p Vogels, the South African base metals investment concern. jumped 12 to 95p.

Australians attracted a good London demand. North Broken Hill and Western Mining were both 4 higher at 141p and 169p respectively, while EZ Industries, 8 better at 300p, responded to favourable Press mention.

FINANCIAL TIMES STOCK INDICES

Government Secs	65,57	65.80	66.04	66.27	66.39	66.54	74.05
Fixed Interest	66,91	67_21	67.74	67.93		67,98	78,02
Industrial	460,7	467,3	468.5	467.7	466.0	463,3	458.1
Gold Mines	181,4	171.9	166,8	165,3	167.3	166,2	151,6
Gold MinestEx-\$ pm)	121,6	115.0	112,2	112,4	113.0	113.7	114.9
Ord. Div. Yield	6,21	6,14	6.14	6,15	6.19	6,22	5,83
Earnings, Y'ld & (full)	16,24	16,07	16,06	16,11	16.30	16,28	17.78
P/E Ratio (net) (*)	7.98	8,07	8,08	B.05	8,01	7,96	7.87
Dealings marked	5,086	4,835	4,083	4,293	4,555	4,267	6,411
Equity turnover £m.	_	84,77					
Equity bargains total	·	13,675	13.164	11,657	15,343	12,413	15,754

H	IIGHS	AND	LOW	5	S.E. ACTIVITY						
	1978/9		Since Co	mpilatin		Feb.	Feb.				
	High	LOW	High	Low		5	2				
Govt Secs.	78,58 (3/1/78)	65,67 (6:2,79)	127.4 (9/1/36)	49,18 (8/1/16)	—Daily Gift Edged Industrials	161,5 168,9	120.6 171,1				
Fixed Int	B1,27 (9/1/76)	66,91 (5/2/79)	150.4 (26/LIA7)	50,33 (3/1/16)	Speculative. Totals	51.1. 115,8	51.4 110.1				
Ind Ord	535,5 (14/9/78)	483.4	549.2 (14(9(71)	49.4 (26,6,40)							
Gold Mines	206,6	124,1 (23/11/78)	442.3 (32/8/75)	43.5 28/10/71)	5-d'y Av'r'ge Gilt Edged Industrials	- 134,7 156,5	127,€ 152,0				
Gold Mines		90.3 (18/4/78)	337,1	54.3 (25/8/7F)	Speculative.		50,4 100,3				

NEW HIGHS AND LOWS FOR 1978/9



Banks (S. C.) INDUSTRIALS (7)
AGB Research Diploma I
Barlow Rand Hamilbon
Triefus EWSPAPERS (1)

TEXTILES (1) Bertam Cons.

NEW LOWS (85)

Courtaulds 7pc Deb. 1982-87 RISES AND FALLS

COMWEALTH & AFRICAN LOANS (1) N.Z. 7 kpc '83-86

STORES (1)

INDUSTRIALS (2)

Turner & INSURANCE (2)

MOTORS (1)

PAPER (1)

Pyc ENGINEERING (4) Protor 114pc '93-98

Midland 103-pc 1993-98

Tate & Lyle

1993-98 BUILDINGS (1)

)ixon's Photo. ELECTRICALS (2)

Corpns., Dom. and Foreign Bands ... Industriels inancial and Prop.

ACTIVE STOCKS

	_	TAO.				
Dei	nomina-		Closing		1978-79	1978-79
Stock	tion :	marks	price (p)			low
BP	£1	13	936	+10	954	720 ·
ICI	£1	11	353	- 2	421	328
Shell Transport	250	11	590	+ 2	602	484
RTZ	25p	10	284	+ 6	284	16 4
Guthrie Corp			432	- 3	4 50	211
LASMO		9	152	+ S	190	124
Barclays Bank		9 8 8	375	- 8	398	296
GEC	25p	Ř	322	– 2	349	233
Marks & Spencer	25p	Ř	84	- 3	94	67 1
BAT Defd		7	278	– 4	304	227
Beecham	25p	7	612	— 3	726	581
Distillers		ż	207	— 3	215	163
Land Secs. Inv		7	255	- ž	260	190
		ż	142	- 4	218	142
Tate & Lyle	TI		542		602	476
Unilever	25p	7	34Z	_	402	410

OPTIONS

P & O Deferred, Bank and DEALING DATES Commercial, Lonrho, Consoli-Deal- Declara- Settle-ings tion ment ings tion ment Mar. 5 May 17 May 30 Jan. 23 Feb. 5 Apr. 19 May 1 Feb. 6 Feb. 19 May 3 May 15 For rate indications see end of Share Information Service

Call options were completed Haslemere encountered profit-taking the Ordinary easing 6 to in Edgar Allen Balfour, AGB, and Pacific Copper.

-1 -9

10

321°p

117p 352p

70p 189p

132p

284°p

2

10 18

LONDON TRADED OPTIONS

EQUITIES

FIXED INTEREST STOCKS

109pl 105p Assoc. Dairies 942 Pref... 1pm 1pm Chepstow Race's 55 Chy.

"RIGHTS" OFFERS

High | Low

7/2

138p 118p H1AS Cargo Airlines 63 Chr. Vis Lin 1895 101t 101 Mid Kent Water 83 Pref. 1984 107p 100 PRivington Reed 94 Chr. Cum.Red.Pref. 99p 97p Seascope 1043 Pref. 98p 98p Shaw Carpets 103 2nd Cum.Pref.£1...

46 26 10

RECENT ISSUES

dated Gold, Westland, John Foster, Bolton Textile, Town and City, EMI, Barker and Dobson, Laurence Scott, Tricentrol, LASMO, Spillers, and Associated Biscuits. No puts were reported, but doubles to be completed included Bolton Textile, Bank and Commercial

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

l		EQUITY GROUPS	ı	ion.,	Feb. !	5, 197	9	Feb. 2	Feb.	Jan. 31	Jan. 30	(shbuor)
ı	ļ	& SUB-SECTIONS	 	i ·	Est.	Gross	Est.	 	 		 	 -
	Figu	res in parentheses show number of stocks per section	ladex No.	Day's Change %	Earnings Yield % (Max.)	Div.	P/E Ratio (Net)	index No.	Index No.	îndex No.	Index No.	index No.
1	1	CAPITAL GOODS (172)	229.54	-13	17.62	5.80	7.76	232.60	232.04	230.71	230.04	198.75
i	2	Birliding Materials (28)	204.32	-1.2	18.79	6.42	7.33	206.85	206.19	202.94	293,33	171.54
l	3	Contracting, Construction (28)	346.82	0.8	22.32	5.94	6.43	349.73	358.63	348.80	347.65	316,28
ì	4	Electricals (15)	539.55	_12	14.27	3.52	9.60	545.84	545.15	544.21	540.28	426.19
1	5	Engineering Contractors (12)	354.11	-1.8.	18.97	6.39	7.13	360.49	358.99	356.03	354.70	289.33
1	6	Mechanical Engineering(73)	17815	-1.6	18.65	6.23	7:14	181.69	189.50	179.73	179.21	156,50
۱	. 8	Metals and Metal Forming(16)	159.34	-12	17.47	9.02	7.96	161.34	168.81	160.15	160.53	164.85
ı		CONSUMER GOODS		· ·	1	{		l		ľ	•	1 .
ı	111	(DURABLE)(53)	202.69	-2.1	17.40	5.35	7.67	206.98	205.83	204.74		182.42
ľ	12	Lt. Electronics, Radio, TV (16)	259.91	-23	14.57	4.02	9.62	266.63	263.33	261.61	262.08	218.81
ı	13	Household Goods (12)	164.65	-0.9	18.36	7.06	7.49	166.08	164.86	164.88	165.55	169.82
ł	14	Motors and Distributors (25)	113.69	-19	22.51	7.44	5.58	115.94	116,32	725.68	125,88	111.17
ł		CONSUMER GOODS		· <u>·</u> _	i	i :			i	Į.	İ	l
ł	21	(NON-DURABLE) (170)		-13	16.67	6.17	7.92	232.02	211.12	289.74	208.78	384.22
ı	22	Breweries (14)	226.95	-13	16.83	6.62	7.54	230.04	229.67	229.90	230.13	209.69
Ł	23	Wines and Spirits (6)	295.52	-1.7	15.83	5.08	9.28	298.50	296.09	294.92	296.09	238.33
Į	24 25	Entertainment, Catering (17)	274.33	-18	15.96	6.90	8.29	279.24	278.73	277,11	274.97	240.66
•	25	Food Manufacturing (19)	597.77	-0.7	19.00	5.62	7.01	199.24	199.16	196.82	195.90	186.27
	32	Food Retailing (15)	231.07	-1.2 -0.5	13.95 21.62	5.09	9.75	233.87	233.36	230.02	228.48	181.54
	33	Memspapers, Publishing (12)	317.48.	-11	18.58	6.45	6.56	301.34	381.48	381.27	381.08	318.81
	34	Packaging and Paper (15)	733.01	-16	12.74	7.76	7.04	157.36	138.36	136,43	136.60	122.57
	35	Textiles(23)	175.74	-1.6	18.32	4.99 8.52	11.25 7.07	194.05	193.56	192.56	191.54	174.61
-	36	Tobaccos (3)	250.97	-0.8	22.71	7.87	5.15	176.98 253.05	176.55	175.98	175.81	169.77
	37	Trust and Garnes (6)	02.44	-0.5	23.74	6.95	4.97	95.96	248.40 92.95	247.92	20.53	224.18
	41	OTHER GROUPS (99)	763 Ro	-8.9	15.94	6.44	8.07	195.62	195.55	91.62	90.67	96.99
	42	Chomicals (19)	274 30	-0.6	16.22	6.90	8.03	276.03	276.23	194.88 275.94	198.73 274.43	182.59 246.41
•	43	Pharmaceutical Products (7)	237.98	8.0-	11.68	4.89	10.37	239.88	239.95	239.05	236.23	244.32
2	44	Office Equipment (6)	127.21	-1.6	17.12	634	711	129.34	127.57	127.27	126.78	124.08
	45	Shimino (70)	475 Gt	-11	14.54	7.31	8.72	420.39	421.42	424.43	426.74	444.26
•	46	Miscellaneous (57)	211.87	-1.0	18.32	6.80	7.21	214.82	21411	212.16	211.28	39L71
- 1	49	INDUSTRIAL CROUP(494)	216.77	-13	16.79	6.08	7.90	219.54	218.99	217.67	236.83	195.40
.	51	O(ls(6)	525.01·	+0.7	13.78	3.83	8.19	522.20	514.41	509.53	505.48	429.70
5	59	500 SHARE INDEX	242.26	-0.9	16.22	5.72	7.94	244.57	243.40	241.89	240.79	215.10
•	61	FINANCIAL GROUP(115)	170.30	-1.4		5.72		172.73	172 12	170.31	169.49	15151
8	62	Ranke(A)*	207 72	-2.4	23.42	5.86	6.40	206.01	207.12	204.61	204.79	179.53
	63	Discount Houses (3.0)	207.36	-15		8.80		210.57	211.59	210.78	209.28	198.81
	64	Hire Purchase (5)	162.05	-1.8	19.72	5.40	6.51	164.99	164.61	165.44	164.63	157年
	65 [.]	Insurance (Life) (10)	131.90	-0.6		7.12		132.76	131.97	131.77	131.63	135.40
	66	insurance (Composite) (7)	119.89	-1.9	i —	7.31		122.20	121.61	119.78	118.37	123.77
	67	Insurance Brokers (10)	107 60 E	-0.7	15.51	5.51	9.20	309.72	309.96	304.94	301.23	301.20
•	68	Merchant Banks (14)	79.02	1.5	I —	6.34		80.19	80.95	79.76	79.72	77.74
,	69	Property (43)	283.43	-0.3	3.73	2.86	42.93	284.24	281.42	278.14	276.66	23433
	<u>70</u>	Miscellaneous (10)	114.56	-0.9	· 19.53	6.88	6.35	315.62	113.41	112.79	112.61	104.45
	71	Investment Trusts (111)	233,12	-0.4	l —	5.00		213.88	212.59	211.75	211.25	18151
-	81	Mining Finance (4)	121.18	+1.8	15 <i>5</i> 1	5.88	7.94	119.86	320.29	11773	116 22	. 27 10

ALL-SHARE INDEX	(750)	2	4.89 -	0.9	<u>. T</u>	5.72	226.17	225.2	223.62	222.60	19935
FIXED INTEREST PRICE INDICES						Y	INTEREST ELDS Av. Gross Red.	Mon., Feb. 5	Fri., Feb. 2	(abblox?) 936 Aest	
ritish Government	. Mon., - Feb., 5	Day's change %	zo adi. today	ad adj. 1979 to date	1 2 3	Low Coupans	5 years 15 years 25 years		10.48 12.22 13.04	19.45 12.16 12.98	7.89 20.15 10.67
Under 5 years 5-15 years	101.27 105.10	-0.02 -0.38		0.76 0.89	4 5 6	Medium Coupons	5 years 15 years 25 years		13.69 13.70 13.70	13.64 13.65 13.65	19.25 31.14 31.26
Over 15 years	108.55 117.07	-0:38 -0:46	_	1.37 9.90	7 8 9	High Cospons	5 years 15 years 25 years		13.72 14.25 14.25	13.68 14.18 14.18	15.99 12.86 12.16
All stocks	104.87	-0.24		8.99	10	Irredeemables			12.67	12.61	14.65
			<u> </u>				•		•	`.	

	Mon., Feb. 5 Index Yield No. %	Fri. Feb. 2	Thur. Feb. 1	Wed. Jan. 31	Tues, Jan 30	Mon. Jan. 29	Fri: Jan. 26	Thur. Jan. 25-	(approx ago
15 20-yr. Red. Deb & Loans (15)	52,75 14.04	52,89	53,06	53.94	54.09	54.09	54.20	54.20	63.16
16 Investment Trust Prefs. (15)	48.24 14.57	48,93	49.82	50.12	50.12	50.19	50 76	60 76	57.13
17 Coml. and Indl. Prefs. (20)	69.80 13.44	70.20	70,82	71.14	71,14	71.25	71,49	71.49	77.77

A FINANCIAL TIMES SURVEY

SOUTH KOREA

APRIL 2 1979

The Financial Times proposes to publish a Survey on South Korea. The main headings of the provisional editorial synopsis are set out below.

Introduction: South Korea's economic growth may slow slightly in the next year or two but will still be extremely rapid by world standards. As an exporter the Republic will make an increasing impact on world markets and will begin to offer strong competition to Japan. The political climate remains fairly harsh, reflecting South Korea's belief that it still faces the threat of invasion from the north.

The Economy **Politics**

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Defence Relations with North Korea Relations with the U.S.

Relations with Korea Relations with Europe Trade

Foreign Investment Banking **Trading Companies** **Textiles** Electronics

Cars Shipbuilding

Construction

Agriculture Roads and Infrastructure

Profiles Tourism

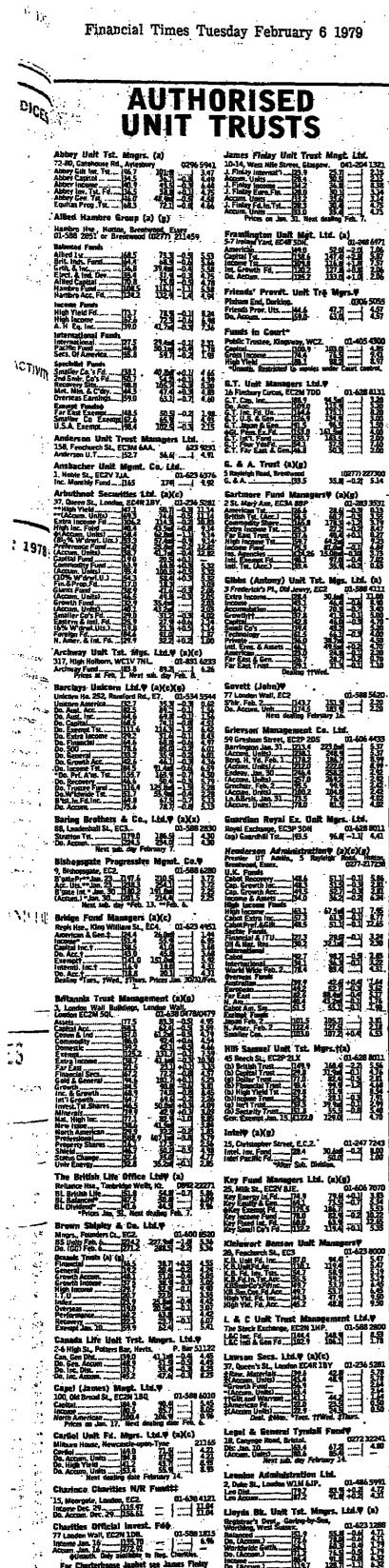
For further information and details of advertising rates please contact:

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Bracken House, 10, Cannon Street, London ECAP 4BY Tel: 01-248 8000 Ext 276

FINANCIALTIMES

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INSURANCE BASE RATES 12% †Property Growth †Vagbrugh Gparanteed... 2Address shown under Inturance and Property Sund Table.

Tarnet Tst. Mnors, Ltd.V (a) (a) &B-73 Queen St., Edinburgh EH2 4NX Dealings to: 01-554 8899 or 031-226 7351 细一 强 Uph, Growth 770.3
Uph, Growth 970.3
Increasing income Feet
High-Yeld 970.1
High Income Feet
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UK Equity 44.3
UK Equity 43.2
Dearware 179.5 56.0[-0.6] 7.76 PERI 1 rust managers Lab. (#1946) 252, Nigh Noborn, WCIV FEB. (II.-405, 844) Pearl Growth Fd. (24.5 26.7 -0.11 4.96) Accom Linds 53.2 35.8 -0.2 7.08 Pearl Inc. 33.2 35.8 -0.2 7.08 Pearl Inc. 35.7 34.8 -0.3 5.31 Accom. Units) 46.5 50.4 -0.5 55.1 Mort. Sep. 12. 202 28. 01-400 4555

Mert. Gen. Ian. 31 1197 2 204.8 4.47

Acc. Units Jan. 31 76.1 74.6 354

Acc. Units Jan. 31 76.4 81.3 354

Acc. Units Jan. 31 76.4 81.3 354

Acc. Units Jan. 25 24.1 26.4 5.12

Acc. Units Jan. 25 28.3 330.7 ... 5.18 Target Tst. Mgrs. (Scotland) (a) (b) 031-229 86217 28.9 -0.3 1.87 43.9 -0.3 6.10 65.5 -0.1 10.09 | Sector | Commodity | Commodity | Constraint | Commodity | Constraint Midtard Bank Group

Unit Trust Managers Ltd. V (a)

Courtwood House, Silver Street, Head,
Sheffield, \$2,376.

Commodity & Gen. 77.0

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Province 17.8 94.0 1 3.14
Wish Income 223.6 132.4 7.44 gers Ltd. Do, Accum. 78.9

Tyndali Managers Ltd. 9

18, Caryote Road, Bristol. 19, Caryote Road, U.K. Grth. Dist. 20.0 21.5 - 0.1 5.50

J. Henry Schroder Wagg & Co. L. 240 3434

Capital Jan. 20. 10.60

Caccum. Urids. 12.74

Income Jan. 30. 12.74

Caccum. Urids. 12.75

Cacc The Sci. Exchange, ECZN IHP. 01-600 4177 Ozadrant Gen. Fd. 108.5 -113.1 +1.6 4.50 Quadrant Income 129.3 133.3 -1.1 8.27 Reflance Unit Mgrs. Ltd.♥

Reflance Hye., Tunbridge Wells, Kt. 0692 22271.
Opportunity Fd. 62.1 72.8 6.21 6.21
Selectorde T. (Acc.) 63 48.4 -0.5 557
Selectorde T. Inc. 632 46.2 -0.5 5.57 031 225 1168 168 225 9 881 145 2 6 09 175 6 6 09 061-236 8521 105 232 97 1021 TSB Unit Trusts (y) Security Selection U.d. 15-19, Unmby Im Flets, WC2 Um/ Gdb Tst Acc 25-2 Um/ Gdb Tst Inc 21-5 Ulster Bank♥ (a) 0232 35231 1001 Trust Account & Mgrat. Ltd. 1001 Mgrat. Ltd. 10 | Tal. Chapside, EC2V 6EU, |
Capital (Accum.)	Th.0
Extra Inc.	34.8
French Inv.	37.3
Income	31.6
Fortfolio Inv. Fd.	69.6
Universal Fd.(0)	59.1

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INSURANCE AND Abbey Life Assurance Co. Ltd.

01-437-5962

1023 +0.1 12.25 The Lustion & Mai 1000 - 100 56.3 128.2 149.7 89.9 113.6 110.3 151.0 Schroder Life Groupy Amerskam Road, High Wycombe D494 33
Egyty Fd. D18.2 126.4 Property Fd. D18.2 186.6 122.9 Fixed laterest F. D3.2 186.4 187.7 Mixed Fd. D13.1 119.0 General Portfolio Life Ins. C. Ltd.Y 0494 33377 179.3 76.1 Merchant Investors Assurance 01-686 9171. 60 Bartholomew Ct., Waltham Cross, WX31971 (==== [^] Scottish Widows' Group | Constitution | Cons

First correstly classes as a second period of the control of the c

| Vanhrugh Life Assurance (2) | Vanhrugh Life Assurance (2) | Vanhrugh Life Assurance (2) | Vanhrugh Life Assurance (2) | Vanhrugh Life Assurance (2) | Vanhrugh Life Assurance (3) | Vanhrugh Life Assurance (4) | Vanhrugh Life Assurance (5) | Vanhrugh Life Assurance (6) | Vanhrugh Life Assurance (7) | Vanhrugh Life Assurance (8) | Vanhrugh Life Vanhrugh Life (7) | Vanhrugh Life Vanhrugh Life (7) | Vanhrugh Life (8) | Vanhrugh Life (9) | Vanhru

Arbuthnot Securities (C.I.) Limited Barclays Unicorn Int. (Ch. Is.) Ltd Barclays Unicorn Int. (Lo.Man) 1, Thomas St., Douglas, I.o.M. Bishopsgate Commodity Ser. Ltd. 0624-23911

Originally issued at 1910 and 0534 73114 Value Feb. 2 Next dealing Feb. 12. utterfield Management Co. Ltd. Capital International S.A.

Paternoster Row, EC4 Clive Investments (Jersey) Ltd.
P.O. Box 320, St. Heiser, Jersey 0534 37361
Clive Gitt Fd. (C.1.) ... 19.75 9.76 11.27
Clive Gitt Fd. (Jsy.) ... 19.72 9.73 11.31 DWS Deutsche Ges. F. Wertvapierso

Emson & Dudley Tst. Mgt. Jrsy. Ltd. P.O. Bor 73, St. Helier, Jersey. 0534 20591 E.D.I.C.T. [120.7] 128.4[...] 3.00 The English Association I he baguiss Association
4 Fore Street, EC2
Eng. Ass. Sterfing*...(S1.78 51.80 3.24
Wardgaste Cm Fef**Vil.1.85 12.3ad 3.24
*Next dealing Feb. 7. **Next dealing Feb. 28.
Estrobond Holdings N.V.
Handelstade 24, Willernstad, Curacao
Landon Agondo: Intel, 15 Christopher St., EC2.
Tel. 01.247 7243, Telco...8814406.
NAV per share Feb. 2 USS21.55 +0.25.

OFFSHORE AND **OVERSEAS**

Keyser Ullmann Ltd. 25, Milk Street, EC2V BJE Cert. Assets Cap. | [140 94 | 141.00| ... |
King & Shaxson Mgrs. | (0534) 73741 |
Charing Cross, St. Nelser, Jersey. | (0481) 24705 |
Thymns Streen, Douglan, 1.0 M. | (0524) 4855 |
Gill Frust (Jersey) ... | 8,86 | 8,8841 |
Gill Trust (Jensey) ... | 18,2 | 1059 |
Gill Frust (Jensey) | 18,2 | 1059 |
Gill Frust (Jensey) | 22 | 923 |
Indl. Gort. Secs. Tst. |
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Rothschild Asset Management (C.I.)

Schroder Life Group Enterprise House, Portsmouth.

| J. Henry Schreder Wayg & Co. Ltd. | 120, Cheapside, EC2. | 11,721-0.02 | 2,70 | 17dalsyr Bc. 33. | 505228.41 | 280 | 270 | 17dalsyr Bc. 33. | 505228.41 | 17dalsyr Bc. 34. | 17dalsyr

TSB Gilt Fund Managers (C.I.) Ltd.
Bagarde Rd, SI Sanoar, Juney. 0534 73494
TSB Gilt Fund. 97.0 100.0 122.10
TSB Gilt Fund. 97.0 100.0 122.10
Prices in Jan 31. Next sub day Feb. 7.
Tokyo Pacific Holdings N.V.
Intimis Management Co. N.V., Curacas.
NAV per share Jan. 29. US366.17.
Tokyo Pacific Hidgs. (Seabgard) N.V. | All Broad St. St. Neifer Jersey | 0534-73741 |
Gilt Fund Jersey	1910	96.001 - 3.01	
Britanne Fund Blagt. (Par Zant) Ltd.	31/b)		
LSD Hearhon Hsc. 10 Increase Rd. H.Kono	1.50		
HK 192 U. Tst.	1053735	10258	1.50
HK 292 U. Tst.	1053735	10258	1.50
HK 292 U. Tst.	1053735	10258	1.50
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C. CHEMICALS, PLASTICS—Cont.

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Mont Scot _ 425 | 304 | 88t | Mont Scot _ 425 | 304 | 88t | Mont Scot _ 425 | 304 | 88t | Canada \$25 _ 152 | 600 | Bow Valley|| _ 124 | 825 | Brassani|| _ 21.4 | 14 | 625 | Brassani|| _ 225 | 164 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 INTERNATIONAL BANK 794 | Spc Stock 77-82 | 804 at | -14 | 6.24 | 11.97 **CORPORATION LOANS** 14.05 13.48 12.98 12.29 12.76 13.64 994 93 Newcasile 94pc 78-80 934 98 79. 13.66 1064 98 Warwick 121-2% 1980 98 12.76 13.71 11442525224452139422665224569714577999454599889139571469384978755645512578681334488875556814833725445145779994 1144252522445834754767999556397139145679998891395714693847978755645512578681378674682786513286627264451457781146477411 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 195 237 20 39 184 89 38 129 123 100 77 138 291 18 93 63 Francis Per. 10p.
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104 | 54 | Messina RO.50 ... | 104 | +7 | --**MISCELLANEOUS** 70 12 325 400 284 65 856 215 -95 -GOLDS EX-\$ PREMIUM

London quotations for selected South African gold mining sharecurrency excluding the investment dollar premium. These pro
available only to non-UK residents. \$135, +1 0190; \$111, +7 0115; 422; +13 010; \$225, +13 010; \$133, +5 0150; \$133, +5 0150; \$133, +2 0150; \$24, 0150; \$27, +2 0250; \$27, +2 0250; \$29, +12 0415; \$29, +12 0415; \$125, 415; | 1.6 | 1.3 | 3.5 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 Namile au Laciente de la iente de la REGIONAL MARKETS

1575 + 15 | 1012c | 2.0 | 6.3 |
17612 + 11c | 2.0 |
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17612 + 11c | 2.0 | 6.3 |
17612 + 11c | 2.0 |
17612 + 11c | 2.0 **OPTIONS** 3-month Call Rates "Impes"

1.C.L.
Inseresk
KCA
Logal & Sen.
Legal & Sen.
Legal & Sen.
Les Service
Lloysh Bank
"Lofs"
London Brick
Lomino
Lucas Ines.
"Manns"
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The Company
The Compa 14 Property
7 Brit. Land.
72 Counties.
E.P. Counties.
E.P. Intreuropean Land Secs.
MEPC.
Peachery Samuel Props.
Town & City 22 Olik
10 Brit. Petrole
7 Burmah Oli
5 Charterhall
12 Ultramar
22 Mines
22 Charter Con
138 Cone. Gold.
30 Rio 7. Zirc.

FINANCIALTIMES

Tuesday February 6 1979



BL Cars stewards vote for total strike

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

stewards voted overwhelmingly in Coventry yesterday to call a total strike by the 100,000 manual workers. Mass meetings will be held at all 34 plants to has come to take a stand."
consider the decision, and the Mr. Pat Lowry, person stewards will meet again next.

The proposed action is in protest at the company's insist-ence that production has not been sufficient to justify agreed parity payments.

The shop stewards' decision came under fire last night from Sir Keith Joseph, Tory spokes-man on Industry, who called for a secret ballot to be held before this madness goes

The strike was also opposed by Mr. Roy Sanderson, the Electrical and Plumbing Trade Jaion's national officer for en-

gineering. He emphasised that the sums involved in the loss of parity payments were marginal by comparison with the loss of pay that would result from strike

action.
"Strike action at this time will not only involve consider. Triumph and Jaguar, Coventry, able and unnecessary loss of two high-pay factories that earnings, but would also stand to gain little from the threaten UK car workers' jobs and inevitably strengthen be splits between plants and However, output at 6.4 cars foreign competition," he said.

But Mr. Phil Povey, the actthe strike call will begin to lose January and 6.1 from February.

ing Amalgamated Union of Engineering Workers' national Mr. Ray executive member for the Middirector of lands, said: "The men feel be-trayed. They believe the time

Mr. Pat Lowry, personnel director of BL, made it clear in Coventry later that there could be no concessions. "We cannot afford a Ford-type strike. We cannot expect to go through that kind of trauma and sur-

Main hope

Over the next few days the company would be "taking every step to impress on employees that to be misled now into taking strike action over the parity issue would be one of complete and utter folly."

The management's main hope appears to be that shopfloor workers will heed the warnings and pull back from strike action. Mr. Michael Edwardes, the BL chairman, has earned a reputation for carrying through tough action.

Plants where support is likely to be weakest are at parity programme. Should there

Mr. Ray Horrocks, managing

director of Austin-Morris, said the company would be relying on the workers to make a sensible evaluation of the situation. The productivity targets to trigger parity payments were "sensible and reasonable."

Performance measured against output in 1977, the worst for five years when average output per man was 5.77 cars. In order to backdate payments-worth up to £10 a week for some workers-to November last year output should have been at 6.1 cars in the period to April this year.

According to management, performance fell to 3.8 cars in November because of the strike at the Drews Lane, Coventry component factory and 5.2 in December. In January, partly because of the road haulage strike, production dropped to 5.1 cars.

Mr. Lowry promised that every effort would be made to ensure parity payments would be restored "as soon as possible.

Output at 7.3 cars would be required this month and in March to back-date payments to November, and such a perform-ance is regarded as unrealistic.

or October. The signs last night, follow-

tomorrow week. more likely as the prospect of This is a week later than a possible Labour humiliation at planned because of a request for the polls was brought home.

Tories take 19% lead in poll

cił next week.

level of pay settlements.

are included in their rules:

There appears to be consensus

that the document should include reference to the setting up of a pay anomalies and

There also appears to be some

possibility that any agreed docu-

ment will include a very general

cautionary warning about the problems caused by escalating settlements during a pay round.

however, in a way that will not cut across pay negotiations for miners, power workers and other groups still to settle. Some

form of three-year inflation target has also been discussed. Although Labour MPs were

clearly taken aback by the message of the poll, they hoped it would make an agreement

more likely as the prospect of

This is likely to be worded,

differentials board.

forced into an early election is shown in the latest opinion poll which gives the Conservatives a substantial lead.

The poll, by Market and Opinion Research International, shsows that 55 per cent of the electorate intend to vote Conservative compared with 36 for Labour, and 6 per cent for the Liberals:

A Tory lead of 19 per cent would mean a landslide victory for Mrs. Thatcher.

he stark message of the poll, published in today's Daily Express, is that the industrial unrest of the past few weeks and the breakdown in the relationship between the Government and the trade unions has done Labour immense electoral

It makes it more vital than ever for Mr. Callaghan to reach a meaningful agreement with the trade unions on a new social contract that Labour will be able to sell to the electorate. It also makes it more likely

that the Prime Minister will want to put as much distance as possible between the present industrial strife and a general

His personal inclination will be to try to retain power through the summer and to hold an election in late September

ing four hours of talks at 10 Downing Street between Mr. Callaghan and other Ministers and TUC leaders were that an agreement will be reached by

The poll's figures of 55 per cent for the Tories and 36 per more time from union leaders, and despite claims that considerable progress has been made a lot of detailed drafting remains cent for Labour compares with a much more even distribution to be done. The real political last November when 47 per cent proposed to vote Tory and 45 per cent Labour. worth of any agreement is still

BY LYNTON McLAIN

pany by the Hong Kong Mass

Transit Railway Corporation to

Options for a further 70 rail

cars have also been taken out

£125m.

Metro-Cammell wins

£50m. rail car order

THE LEX COLUMN

Warning bells in the markets

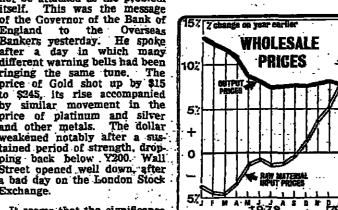
trial relations issues to go before the TUC General Coun-The development of international bank lending conveys a message about economic im-balance in the world, and should Yesterday's talks made some progress on picketing, disputes not be attacked as the problem procedures, the possibility of a This was the message of the Governor of the Bank of England to the Overseas Bankers yesterday. He spoke after a day in which many relativities and anomalies board and a general statement on the A firm document is likely to include an agreement that picketing should be confined to different warning bells had been ringing the same tune. The price of Gold shot up by \$15 companies in direct dispute and to their suppliers. Both sides to \$245, its rise accompanied by similar movement in the have also been discussing secret price of platinum and silver and other metals. The dollar ballots and the possibility of stressing that unions ensure that facilities for secret ballots weakened notably after a sus-tained period of strength, drop-ping back below Y200. Wall Street opened well down, after

> It seems that the significance of developments in Iran, and in particular its significance for the future of oil supplies, is asserting itself in international markets. Unlike the last time. gold reached this price, which was at the peak of the dollar crisis, the strength of the metal's price was more conspicuous yesterday than the weakness of any currency. It implied that investors were sure where to go but less sure where to come from: the dollar is no longer regarded as the

only loser. Both the Governor of the Bank of England and the managing director of the IMF yesterday stressed signs of a reversal in the main imbalance And, secondly the President of that has burdened the dollar, the House-Builders Federation They looked to a substantial reduction in the U.S. current account deficit this year and a compensating cut in the sur-pluses of Germany and Japan. Their message was offset some what by a more bearish assess-ment of the situation from Morgan Guaranty Trust. The big U.S. bank spelt out the heavy official intervention which has kept the dollar buoyant since last November. It clearly remains sceptical that the

and the strong currency countries are sufficient. This new imbalance, replacing the OPEC imbalance of the mortgages for new houses could early seventies, is what confall by up to 20,000 in 1979 and tinues to provide the inter-national banks with what the Governor described as a "major currently, the building societies recycling role." His speech was make good whipping boys. clearly designed to rebuff the However, if interest rates recent claims by West German started to fall, the competitive and U.S. officials that the interposition of the societies could national banking market needs to be controlled to prevent it adding to the world's problems.

Index fell 6.6 to 460.7



If these same officials were to take effective action on their deficits and surpluses the banking statistics would look after

Housing starts

Two ennouncements yesterday underlined the current dilemma facing the UK building industry. First, official figures confirmed that average house prices were growing at an annual rate of 27 per cent in the final quarter of last year. forecast that UK private hous-ing starts are likely to fall from 150,000 in 1978 to around 130,000 this year — the lowest level for five years,

Higher house prices would be expected to coax out a higher supply of houses from the builders but this is clearly not happening. The main reason for this, according to the house-builders, is the shortage of mortgage funds - they like to call it a "famine." The building measures so far taken to redress the imbalance between the U.S. societies lent £8.7bn in 1978, and if current trends continue, look like falling short of this in the current year.

As a result the number of given their obvious problems in attracting fresh funds improve dramatically in a very

Meanwhile, although they

would probably be the last to admit it, the house builders have been doing rather well over the last year. In 1978 housing the last year. In 1978 housing custs rose by 10 per cent or so, while houses prices rose by close to 50 per cent in some areas, and the overall average was 27 per cent. This year will not be so good. Housing costs are accelerating and could rise are accelerating and could rise by maybe 15 per cent. Even an by maybe 15 per cent. Even so the industry is also talking of an increase of about that order in house prices. Barratt Developments, one of the industry leaders, believes that prices could rise by 18 to 20 per cent: Consequently, against pre-tax profits of £7.4m in 1978. 1977 Barratt could make £17m in 1978-79.

The outlook for 1979-80 is clouded by the current level of high interest rates and is far less certain. However, there is no sign as yet that house builders' margins will be squeezed to the same extent that they were in 1974-75. The industry seems to have learned its lesson and is starting to acclimatise itself to producing fewer houses at higher prices The low level of building starts scheduled for 1979 will not all be the fault of the building

Profit margins

As it it were not enough to have labour costs shooting up dramatically, raw material costs are threatening to match them. British industry's input costs rose faster than factory gate prices in January and have now overtaken them on a 12-month basis. If the present trends on the metal exchange and in the oil markets are anything to go by, there will be no slackening of the pace for some time to

Throw in higher interest rates for good measure and the threat to corporate profits is obvious. It seems inevitable, now that the cost of three-month interbank money is nearly 1; points above clearing bank base rates, that the banks will have to move soon. Reluctance to put rates up just before their profits are published may restrain the clearers, but cannot be an overwhelming consideration.

It is not surprising that equities were weak yesterday, nor that long gilts should have lost yet another half point and still be groping for some sort of base level.

Richardson defends role of banks and Euromarkets

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

threat to world economic and financial stability, Mr. Gordon Richardson, Governor of the Bank of England, said last

He told the annual banquet of the Overseas Bankers' Club any particular channel for them in London that his prejudice was "against executing the the position and prospects for the U.S. economy and U.S. messenger; that is taking action to reduce the efficiency or scope those in other of the intermediaries, rather on the other." nents in the system.

The speech contrasts with industrialised world. calls by Herr Karl-Otto Poehl, vice-president of the West U.S. officials for greater con-Euromarkets.

detail the extent to which the international banking system itself was a cause of concern

Weather 🚣

UK TODAY

DRY in most areas, wintry

London, Midlands, E., N., Cent.

S England. Borders, Glasgow,

S.W. Scotland

Freezing fog patches slow to

clear in places. Dry. Max. 4C

S.E. England, E. Anglia

Mainly dry. Max. 4C (39F). W. England, S. Wales, Channel Isles

Occasional rain or sleet, Max.

6C (43F). N. Wales, Isle of Man, N. Ireland

Perhaps rain or sleet later. Max 4C (39F). E. Scotland, Cent. Highlands

Freezing for patches slow to clear, Max 2C (36F). N. Scotland. Scottish Islands

ome wintry showers. Max 3C

Outlook: Rain in most areas

WORLDWIDE

73 Nicosia

43 Tenemo 12 Tokyo 60 Toronto

turning to snow in N.

Cardiff

showers in W.

THE INTERNATIONAL bank- were "essentially an alternative tries and in the international ing system and the Exromarkets channel for financial flows—a markets to play a major do not by themselves pose a very visible and a very efficient recycling role." channel, but a channel never-

> monetary engine." He argued that "what deter-mines the extent to which funds will move is not the nature of for the U.S. economy and U.S. policy on the one hand and those in other major countries

theless-rather than a separate

He stressed that, in view of the size and persistence of sur-German Bundesbank, and senior pluses on current account, much more remained to be done on trols over and supervision of the capital account by countries such as West Germany, Japan Mr. Richardson discussed in and Switzerland.

"As long as large surpluses current account persist, there will probably be a need and concluded that the markets for banks in the surplus coun- Japan.

Continued from Page 1

year this index has increased

The full impact of higher

commodity prices is shown by

the 21 per cent rise last month

in the cost of materials bought by manufacturing industries

outside the food, drink and

tobacco sector. Even with crude

oil excluded, this index rose by

1 per cent last month with

higher prices for wood pulp, hides and skins mainly respon-

been even larger but for the relative stability of sterling.

The reversal of the previously

favourable raw material price

trend has come at the worst

possible time for industry in view of current wage pressures

and an increase of more than 13 per cent in unit labour costs

So far industry seems to have been absorbing part of the higher costs at the expense of lower profit margins, since there

are no signs of any significant

acceleration in output prices.
The output/factory gate price

index rose by less than 1 per cent in January to 159.8 (1975=

The rise would have

by 8 per cent.

Higher fuel prices

On the other main area of concern, the risk of inter-national banking, he defended the existing approach of regarding the international markets as primarily extensions of domestic markets with central banks supervising the lending activities of banks of their own nationality.

Mr. Richardson also stressed than examining more fundamental questions, such as the banks in recycling the surfor official finance, especially appropriateness of monetary pluses of the oil-producers after from the International Monetary and fiscal policies and the 1974, Mr. Richardson high- Fund, to help guide deficit extent and causes of mallighted the different problems countries towards adjustment—adjustments in the system." now of imbalances within the a theme also discussed by M. Jacques de Larosière, the managing director of the IMF, and the other main speaker at the banquet.

M. de Larosière highlighted, as did Mr. Richardson, the progress already made in the adjustment process between the current account deficit of the U.S. and the surpluses in a number of European countries and

WHOLESALE PRICES

140.2 146.3 144.9 147.1*

144.8

145.7

147.3

148.2*

in recent months but some of

it can be attributed to the annual bunching of price increases at the beginning of

the year. Indeed this is the smallest January rise since

This index has risen by 3.9 per cent over the last six

months, only a slightly higher

rate than during the autumn. In

the 12 months to January, out-

provisional Source: Department of Industry

Nov.

Dec.

1979 Jan.

index rose by less than I per cent in January to 159.8 (1975 compared with 84 per cent the 100). This is a larger rise than

Output

(home sales)

149.2

151.8

157.3*

155.7

156.6 157.1

158.3* 159.8*

by the corporation, for the seven mile second stage of the project. These could be worth another £25m to Metro-Cammell. The company's first order for the system, for 140 rail cars, was placed three years ago. An option for a further 70 cars

> railway became a firm order last March. The Birmingham company has also been invited to tender for the possible modernisation_and extension of the Hong Kong section of the Kowloon to Can-

for the first 10 mile stage of the

ton railway,
This tender calls for the delivery of 135 rail cars in three-car units. The competition is expected to be even more intensive than for the Mass Transit Railway contracts. The ning through mainland China.

METRO-CAMMELL of Birming-ham has won a £50m order to supply another 150 rail cars for Hong Kong's new rail system. Vise the electrification of the The deal brings the total value Hong Kong stretch of the Kowfrom the Kowloon terminus at Hung Hom to the border with China at Lo Wu, 20 miles from Canton. The Hong Kong Government

also plans to replace the existing single track rail line with a double track. China is known to be working on similar plans for modernising and upgrading the capacity of the section of the line over the border. Metro-Cammell, part of the

Laird Group, won its latest order for rail cars in the face of competing bids from a Japanèse consortium led by Hitachi. Mitsubishi and Toshiba, from a West German team headed by Siemens, from the Australian Commonwealth Engineering consortium and from Hawker Siddelev Canada. A group of French engineering companies also tendered for the contract.

The Government's Export Credit Guarantee Department said last night that it had trains may eventually be part said last night that it had of an improved rail system run-agreed to guarantee the con-

Continued from Page 1

Dunlop aid snags

many State aid schemes.

Then the Industry Department's advisory board was asked to give a preliminary view on the £23m application and discipled according to the second advised against it.
This compounded the political

Sir Campbell Fraser, Dun if satisfactory terms can be lop's chairman, is chairman of agreed. It would, however, be the Confederation of British difficult for the Government to Industry's recently-formed in sanction aid against the advice dustrial policy committee which of the advisory board, especially is critical of both the NEB and while there is a political row many State aid schemes.

The policy committee which of the advisory board, especially while there is a political row brewing over the Speke redun-

being made to design a package that it would back. While this problems for the Government, exercise continues, ideas of The Industry Department is NEB involvement have been thought to want to help Dunlop shelved.

Britain defends fish conservation measure

BY RICHARD MOONEY

THE UK Government has horns with the EEC Commission at the European Court of Justice than abandon, without a fight, the fisheries conservation measures it imposed unilaterally last year.

In its reply to an ultimatum issued by the Commission last Britain yesterday rejected accusations that the measures were either discriminatory or unnecessary.

the Irish east coast and around the Isle of Man (except for unilateral extension of the ings.

Norway Pout Box-an area of decided it would rather lock the North Sea within which did not consider that any of the technically prevented by Comindustrial (fishmeal) fishing is If these demands were not

met, the Commission warned proceedings would be opened in the European Court. It is not certain whether the

British rejection of the EEC ultimatum will result in court action. Talks between the fisheries ministers of the main Common Market fishing nations The Commission demanded are still continuing and the that British bans on herring Fisheries Council is scheduled fishing in the Mourne area off to meet in Brussels later this month.

It is still possible, therefore, certain UK vessels) should be that a negotiated settlement repealed. It also objected to a could pre-empt legal proceed-

taken were contrary to Com- transitional provisions aimed a munity law.

Hague in 1976, an EEC member can introduce national measures in the absence of a Community demonstrably urgent, necessary and non-discriminatory.

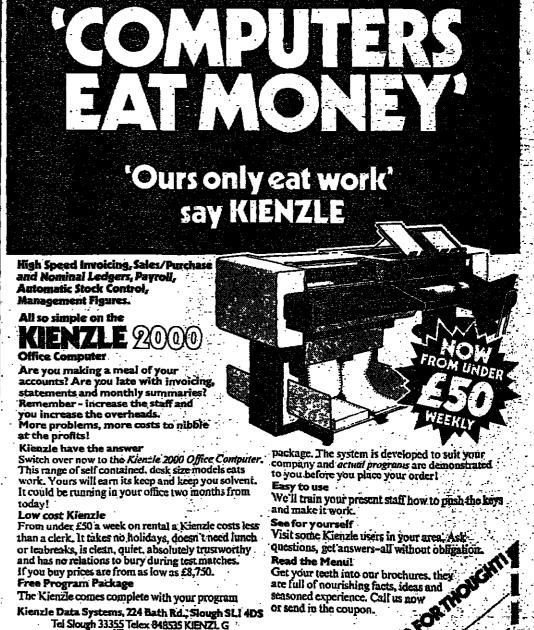
The UK response accuses the Commission of inconsistency and contradiction in its argu-ments against the British measures. It also charges that the Commission has not taken account of Britain's supporting

The response queries, in particular, a claim by the Com-

In its reply, Britain said it mission that member states are conservation measures it had munity law from including minimising local hardship when Under the terms of an EEC introducing conservation meas-agreement reached in the ures. Such provisions have been included in some of the Commission's own measures. In its rejection of the Com

regime, but only if they are mission's call for the cancellation of the extension of the pout box the Government is understood to have claimed that this demand ignores the "latest and most up-to-date scientific advice" which the Commission had previously regarded as a pre-requisite to the introduction of any conser vation measure.

German farm incomes up



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